

JPRS 81069

16 June 1982

# South and East Asia Report

No. 1154

**FBIS** FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

16 June 1982

## SOUTH AND EAST ASIA REPORT

No. 1154

## CONTENTS

## INTER-ASIAN AFFAIRS

Nepal, India Agree on Trade (THE RISING NEPAL, 15 May 82) .....	1
Japanese Protectionism Seen Hurting ASEAN (Dilip Mukerjee; BANGKOK POST, 15 Apr 82) .....	3
Briefs Regional Free Trade Zone .....	6

## AUSTRALIA

Forecast for Australian Wheat Harvest Given (THE WORKING PEOPLE'S DAILY, 19 May 82) .....	7
Australia's Nixon on Food Aid to Developing Countries (ANTARA, 7 Jun 82) .....	8
Briefs Nuclear-Free Zone .....	10
Success of Exocet Missile .....	10

## BANGLADESH

Reasons for Failure To Reach Tea Export Target Told (Sirajul Haque; THE NEW NATION, 7 May 82) .....	11
Coordination Committee for Jute Purchase Formed (THE BANGLADESH OBSERVER, 12 May 82) .....	13
Martial Law Committee To Investigate Industries (THE BANGLADESH OBSERVER, 14 May 82) .....	14
Public Questioned on Government Working (THE BANGLADESH OBSERVER, 14 May 82) .....	15
Regulation on Foreign Exchange Repatriation Reported (THE BANGLADESH OBSERVER, 14 May 82) .....	16

Briefs		
New Norwegian Ambassador		17
BURMA		
Evils of Smuggling Denounced		
(Editorial; THE WORKING PEOPLE'S DAILY, 16 May 82) .....		18
Peace and Tranquility Needed in Shan State		
(Editorial; THE WORKING PEOPLE'S DAILY, 18 May 82) .....		20
INDIA		
Report Lists Indian Plans for Afghanistan Aid		
(THE TIMES OF INDIA, 18 May 82) .....		22
Foreign Ministry Official Returns From Kabul Meet		
(THE STATESMAN, 19 May 82) .....		23
Agreement With Pakistan on Consular Access Reported		
(PATRIOT, 13 May 82) .....		24
Dacca, Delhi Representatives Argue at Nairobi Meet		
(Chander Mehra; THE STATESMAN, 19 May 82) .....		25
Details of New Agreements With Nepal Announced		
(THE HINDU, 19 May 82) .....		27
USSR, Saudi Arabia, Others To Supply Crude		
(PATRIOT, 20 May 82) .....		28
First Indo-ROK Joint Venture Planned Near Madras		
(PATRIOT, 20 May 82) .....		29
Favorable Reaction to Gandhi Planned U.S. Visit		
(Girilal Jain; THE TIMES OF INDIA, 19 May 82) .....		30
Malhotra Returns From Helsinki Finance Meetings		
(THE HINDU, 18 May 82) .....		32
Gandhi Speaks at Calcutta Election Meeting		
(THE STATESMAN, 14 May 82) .....		34
Gandhi Talks to Newsmen After Tour of North		
(PATRIOT, 13 May 82) .....		37
Remarks on CPI(M), Other Matters		
Falklands, Nuclear Developments, Others		
Gandhi Remarks on Presidential System		
(THE HINDU, 13 May 82) .....		40



Problems of Borrowing From Asian Bank Told (C. V. Gopalakrishnan; THE HINDU, 14 May 82) .....	41
Concern Over Slippage in Steel Plan Fulfillment (THE HINDU, 13 May 82) .....	44
Heavy Industry Department Target Raised (THE HINDU, 14 May 82) .....	45
Finance Ministry Plans Banking Department (G. K. Reddy; THE HINDU, 14 May 82) .....	47
India Takes Second Place in Coffee Productivity (THE HINDU, 18 May 82) .....	48
Delhi Reviewing Policy on Contracts to Foreigners (THE STATESMAN, 19 May 82) .....	49
Minister Tells 'PATRIOT' of Progress in Agriculture (PATRIOT, 19 May 82) .....	51
Briefs	
New Naga Chief	53
Honor to Gandhi	53
Zail Singh Visit Cancelled	53

#### INDONESIA

Military Operations Against FRETILIN Defeated (JORNAL DE ANGOLA, 7 May 82) .....	54
Issues Affecting National Stability Discussed (KOMPAS, 10 Mar 82) .....	56
Population, Family Planning Discussed (SINAR HARAPAN, 10 Mar 82) .....	58
Subroto Returns From Quito OPEC Meeting (ANTARA, 28 May 82) .....	61
Oil Contract With Philippines Signed (SINAR HARAPAN, 6 Mar 82) .....	62
Value of Crude Oil Exports Drops in 1st Quarter (ANTARA, 27 May 82) .....	64
Whitlam Visit to East Timor (KOMPAS, 6 Mar 82) .....	66
No Starvation Reported in East Timor (SINAR HARAPAN, 5 Mar 82) .....	68

## LAOS

Refugee Repatriation Hindered by Pressure From Resistance (BANGKOK POST, 22 May 82) .....	70
--	----

## MALAYSIA

Malaysian Tin Industry Appeals to Government for Tax Reform (AFP, 28 May 82) .....	71
Opposition for Opposition's Sake Denounced (SIN CHEW JIT POH, 18 Apr 82) .....	72
MCA President Makes Plea for Party, Unity (SIN CHEW JIT POH, 16 Apr 82) .....	76
Strengthen MCA Chinese Unity	
Prime Minister Mahathir Deplores Ethnocentricity (SIN CHEW JIT POH, 15 Apr 82) .....	79

## NEPAL

Government Fails To Meet Food Needs (Editorial; THE MOTHERLAND, 22 May 82) .....	82
Bank Reports Economy Flagging (Editorial; THE RISING NEPAL, 27 May 82) .....	84
Rice Price Rises (THE RISING NEPAL, 27 May 82) .....	86

## PAKISTAN

Woes of Economic Structure Discussed (Omar Khan; THE MUSLIM, 9 May 82) .....	87
Sixth Plan To Be Ready by Year-End (THE PAKISTAN TIMES, 21 May 82) .....	89
Broad-Ranging Cooperation With India Proposed (Mubashir Hasan; DAWN, 9 May 82) .....	91
Need for Effective Population Policy Stressed (Editorial; DAWN, 9 May 82) .....	94
German Loan for Pakistan (DAWN, 10 May 82) .....	95
Country's Sour Political State Analyzed (THE MUSLIM, 13 May 82) .....	96

Too Much Talk, No Action by American Investors Termed Disappointing (Editorial; BUSINESS RECORDER, 14 May 82) .....	98
Theory of Provincial Autonomy Supported (THE MUSLIM, 9 May 82) .....	100
Dr Israr on Women and Their Protest (THE PAKISTAN TIMES, 15 May 82) .....	102
Privileged Expatriot Class Resented (THE PAKISTAN TIMES, 21 May 82) .....	103
Press Organ Demands Probe of Student Vandalism in Lahore (Editorial; JASARAT, 27 Apr 82) .....	104
Police Action Against Students in Lahore Deplored (JASARAT, 3 May 82) .....	106
Schools Not To Be Denationalized--Sind Governor (BUSINESS RECORDER, 21 May 82) .....	108
Cumbersome Administrative Machinery Criticized (BUSINESS RECORDER, 22 May 82) .....	109
Soomro on Ways To Improve Economic Ties (BUSINESS RECORDER, 22 May 82) .....	111
Arms for Villagers Near Baluchistan Border (DAWN, 22 May 82) .....	112
MRD Stand on Provincial Autonomy Criticized (DAWN, 22 May 82) .....	113
Pakistan Proposal for Islamic Banks Accepted (BUSINESS RECORDER, 22 May 82) .....	114
Karakoram Highway's Deterioration Described (THE MUSLIM, 13 May 82) .....	115
Coherent, Realistic Policy on Baluchistan Urged (Editorial; THE MUSLIM, 13 May 82) .....	116
Decision To Build Sophisticated Wheat Godowns (BUSINESS RECORDER, 21 May 82) .....	118
Edible Oil Worth 650 Million Rupees To Be Produced (BUSINESS RECORDER, 22 May 82) .....	119
Export Promotion Board Discusses Cotton Crisis (DAWN, 22 May 82) .....	120
Paper Notes Muslim Cooperation (Editorial; MASHRIQ, 24 May 82) .....	121

Pagara Blamed for Muslim League Disunity (Asaf Sheikh; THE MUSLIM, 11 May 82) .....	122
IBRD Team Meets WAPDA Chief (THE PAKISTAN TIMES, 21 May 82) .....	123
Solid Measures for Law and Order Urged (Editorial; THE PAKISTAN TIMES, 21 May 82) .....	124
Military's Civilian Role Discussed (Z. A. Suleri; THE PAKISTAN TIMES, 21 May 82) .....	126
Briefs	
Area Under Jute Cultivation	129
Private Sector Rice Export	129
New Punjab PML Heads	129
Faiz Nominated	130
Ambassador to Jordan	130
Saudi Arabian Aircraft for Repatriation	130
Changing River Ravi's Course	130
Multan Lawyer Held	131
Religious Affairs Ministry	131
Farming in Northern Areas	131
Water Theft Fines Recovered	131
Government Employees Salary Raise	131
Bab-i-Pakistan Near Wagah	132
Ban on Fertilizer Import	132
Newsmen Demand Raise	132
Expulsion From Party Protested	132
Tax Accord With Malaysia	132

#### PHILIPPINES

Marcos Rule Termed a Failure (Mariano M. Florido; VISAYAN HERALD, 22, 23 May 82) .....	133
Laurel Leads Opposition Coalition (Ding Marcelo; BULLETIN TODAY, 27 May 82) .....	135
Export Prospects for 1982 Encouraging (BULLETIN TODAY, 28 May 82) .....	136
Marcos Supports Moslem School Plan (Rod L. Villa; BULLETIN TODAY, 28 May 82) .....	137
Moslem Schools To Be Accredited (Yvonne T. Chua; PHILIPPINES DAILY EXPRESS, 25 May 82) ....	138
Farmers To Benefit From New Measures (Editorial; PHILIPPINES DAILY EXPRESS, 24 May 82) .....	139

Industrial Projects Revived (PHILIPPINES DAILY EXPRESS, 24 May 82) .....	141
Incentives Provided in Dollar Drive (George T. Nervez; PHILIPPINES DAILY EXPRESS, 25 May 82) ..	143
Cuba Offers Sugar Expertise (PHILIPPINES DAILY EXPRESS, 25 May 82) .....	144
Less Foreign Loans Planned for Next Year (George T. Nervez; PHILIPPINES DAILY EXPRESS, 26 May 82) ..	145
Two Ministries Merged (PHILIPPINES DAILY EXPRESS, 26 May 82) .....	146
Finland Seen as Copper Market (PHILIPPINES DAILY EXPRESS, 28 May 82) .....	148

#### SRI LANKA

Business Cooperation With South Korea (DAILY NEWS, 21 May 82) .....	149
Editorial: Party Commended for Corruption Cleanup (Editorial; DAILY NEWS, 10 May 82) .....	150
SLFP Food Subsidy Stand Deplored (Editorial; THE ISLAND, 23 May 82) .....	152
SLFP Crisis Explained (P.B.G. Kallugalla Interview; DAILY NEWS, 10 May 82) .....	154
Editorial: Clean, Efficient Government Urged (DAILY NEWS, 11 May 82) .....	156
Editorial: Marxist Misrule Recalled (Editorial; DAILY NEWS, 12 May 82) .....	158
Current Politics Examined (DAILY NEWS, 15 May 82) .....	160
Briefs	
Belgian Economic Team Arrives	162
Industry Urged To Use Coal	162
Sri Lanka Workers for Middle East	162

#### THAILAND

Northeastern Farmers Working as Indentured Labor (THE NATION REVIEW, 24 May 82) .....	163
--	-----

NEPAL, INDIA AGREE ON TRADE

Kathmandu THE RISING NEPAL in English 15 May 82 pp 1, 6

[Text]

Kathmandu, May 11:

The Fifth Inter-Governmental Committee (IGC) meeting between Nepal and India ended here today with agreements on a number of "positive" steps designed to bolster trade between the two countries, to accelerate transit facilities and reduce transit costs and to initiate determined steps towards controlling the flow of the unauthorised trade.

Minutes of the meeting were today signed by the Commerce and Supply Secretary, Mr. Shankar Krishna Malla and the Indian Commerce Secretary Mr. Abid Hussein who headed the Nepalese and the Indian delegations respectively at the talks.

The meeting which started in Kathmandu on May 11 formed three working groups on trade, transit and control of unauthorised trade which held detailed discussions in each of the subject.

Speaking at the minute-signing ceremony this evening, the Commerce and Supply Secretary, Mr. Malla, said that the Indian delegation had displayed "very kind cooperation" in the course of the meeting as a result of which both the sides had been able to achieve "positive and definite" features on the trade front "which will greatly augment trade between the two countries".

He said that the meeting had agreed on "several" features to reduce transit costs and facilitate the flow of trade between the two countries.

On his part, the leader of the Indian delegation, Mr. Hussein, said that India appreciated the policies and aspirations of His Majesty's Government.

Expressing his happiness over the understanding displayed by each side towards the point of views of the other, he said that the sig-

ning of the present minutes should be made the beginning of future operation.

He said that the problems of both the countries were similar and each understood the difficulties of the other.

He also emphasised the need for cooperation among South Asian countries and said, "Time has now come for South Asia to go forward. Separately, we cannot achieve anything but will only ruin each other. Together, we can go far".

Later, addressing a press conference, Mr. Hussein disclosed that with a view to boost the trade between the two countries, both the sides had agreed that the products of Nepalese origin be allowed to move faster than before without being subjected to time consuming formalities. The validity of "notification for certification" is also being simplified.

On transit, India has agreed to provide insurance coverage to "all goods" coming to Nepal. However, in respect of private goods coming to Nepal by private carriers such a coverage will become effective only by the end of June this year.

Considering the heavy congestion of goods at the

Calcutta port and Nepal's difficulties in clearing them in the stipulated time, India has agreed to end the "Triple Rent" system and so provide 45 days to Nepal for removing its imported goods from the port. No retention charges will be payable by Nepal for the first three days at the Calcutta port.

Gorakhpur, in the Uttar Pradesh State of India has been given as one more trans-shipment point for Nepalese goods. Though one more such point had been asked for, technical difficulties precluded this.

Apart from these the Government of India will provide railway wagons for transportation of the Nepalese goods and make lands available at required points for the construction of warehouses. India is also to allot land at the Rail-head at Haldia port for this purpose.

In order to control unauthorised trade between, the two countries, both sides have agreed to exchange trade information between the two in a more "systematic" manner, and to identify contact points in Nepal and India.

The Director General of the Customs of His Majesty's Government will be the contact point in Nepal while the Officer on Special

Duty in the Directorate of Revenue Intelligence of the Government of India will be the contact point on the Indian side.

These two officials will hold meetings frequently "at least once in every six months" to exchange information and discuss movement of the unauthorised trade.

Asked if the meeting discussed about the ways to correct Nepal's adverse balance of payment position with India, the Indian Commerce Secretary, Mr. Hussein said that the best way to do so was to affect an efficient and faster flow of trade between the two countries.

He said that joint venture projects in Nepal and production in Nepal of agricultural and industrial commodities which had good market in India could correct this imbalance. He identified edible oil to be one of such potential products which Nepal could sell to India.

If this objective is to be realised, a new approach to industrial and agricultural sectors should be given, he said.

The Commerce and Supply, Secretary, Mr. Malla, concurred with the views expressed by Mr. Hussein at the press conference.



# JAPANESE PROTECTIONISM SEEN HURTING ASEAN

Bangkok BANGKOK POST in English 15 Apr 82 p 26

[Article by Dilip Mukerjee]

[Text]

NOTHING better illustrates the gap between aspirations of the Association of Southeast Asian Nations and the limits to Japan's willingness to accommodate them than the current dispute between Jakarta and Tokyo over log exports.

Acting under a variety of compulsions, Indonesia announced that it will cut down its exports of logs to zero by 1985, evoking an angry Japanese response that this unilateral decision will be detrimental to economic cooperation between the two countries.

The threat implicit in this reaction is not that Indonesia can afford to dismiss lightly. Japan is by far the most important trade partner, and source of almost two-fifths of the foreign investment made outside the oil sector between 1967 and 1980.

That apart, the Japanese firms with stakes in Indonesian timber exports are none other than the giant trading houses which have unquestionably played a pivotal role in identifying investment opportunities and mobilising the capital for some of Indonesia's industries highly important to its future.

The most striking example of this role is the initiative taken by Nissho Iwai to put together a liquefied natural gas plant in East Kalimantan, involving a total outlay of almost US\$4 billion — half of it for the plant and the other half for ancillary facilities in Indonesia and Japan.

Admittedly, not one word has been said by any of these companies or by the Japanese Government that reprisals may be taken unless Indonesia relents on logs. That is not to be expected vis-a-vis a country from which Japan obtains 15% of its

oil requirements. But the complaints that were already being made about the adverse effect of sudden Indonesian policy changes on the climate for investment will become much louder, with consequences which can be readily imagined.

The fact that the Indonesian decision follows years of debate, and is in line with the trend in other log exporting countries will be discreetly glossed over in Tokyo. The basic issue involved is the broader one of less developed countries (LDCs) seeking to improve their earnings through processing primary products to add value to them before export. When raised as a general proposition in the global North-South debate, Japan declares from the house tops that it welcomes this LDC thrust.

In fact, its stated position — at least in theory — is about the most liberal among industrial countries. But there is a wide chasm between principle and practice, although this is by no means a uniquely Japanese failing. In common with other industrial countries, its retreat from liberalism in trade is most noticeable in the case of agricultural or agro-based products, wood being one of them.

Looking at the linkages between agriculture and politics which underline Japan's illiberalism in this sphere, Japanese economist Kazuo Nukazawa points out that though the ruling Liberal Democratic Party's dependence on the farm vote has declined, (following a sharp fall in the farm population in the last 24 years) from 55% in 1955 to 25% today the fact remains that "agricultural votes are more and more cast for the LDP." So no LDP politician will want to jeopardise this solid support, a



virtual vote bank from which he can always count on getting credit.

## WOOD

Japan uses wood in very large quantities because most houses in rural areas are made from it. The country's well-managed forests meet about 40% of its total demand of around 110 million cubic metres (cbm), and imports supply the balance. Coniferous woods preferred by home builders for the framework of houses and other traditional uses come from developed countries.

In 1980, Japan imported 48 million cubic metres (cbm) of wood from all sources. Just over half was bought from developed countries, with the US alone accounting for over a quarter (12 million cbm) of all imports.

The other suppliers in this category, ranked by volume, were the USSR, Canada and New Zealand. With Japan's burgeoning trade surplus with the US now a major political issue between the two countries, it is obvious that Japan can ill-afford to clamp down on imports from this source.

Tropical wood of the kind bought from Indonesia is used mainly for conversion into plywood in Japanese factories. In Japan's total wood consumption, the share of tropical suppliers is about a fifth and in its imports about two-fifths. The biggest source in Indonesia (nine million cbm) and Malaysia is a close second (8.5 million cbm). Way down stands the Philippines (1.4 million cbm).

For all these countries, Japan is the most important market for their wood. In the case of Malaysia, for instance, about 90% of the logs exported from the eastern states of Sabah and Sarawak go to Japan. Wood exports accounted for 36% of Malaysia's total exports to Japan, making it the second largest commodity. In Indonesia's case, the corresponding figure is 11% and in the Philippines 13%.

All three ASEAN exporters realise that they have allowed logging to grow too fast. As a recent report says, the rate of deforestation in these countries is now the highest in the world. They need, therefore, to reduce logging because of the grave ecological damage they are now faced

with — severe flooding in the plains below logged forests.

But the logging industry is not only an important exchange earner but also a major source of employment in regions where there are few alternative jobs.

All these countries see the way out, therefore, in replacing log exports with processed products like sawn timber, plywood, veneer and mouldings. The hope is that the value added will offset the fall in the export proceeds of logs and provide at the same time employment in processing for those rendered jobless in the forests.

Japan has been invited time and again to participate in this transformation by providing capital and technology through joint ventures. Everytime businessmen of both sides gather for their far too many meetings to promote economic cooperation, the Japanese solemnly pledge that they will indeed promote such ventures. They say they need to find assured sources of supply of wood products, and they also acknowledge that rising labour costs make it increasingly uneconomic for Japan to maintain its own production.

But in practice very little has happened. Out of Japan's total investment in manufacturing of over US\$2 billion in 1976-80, the flow into the wood and pulp industry was as little as US\$32 million. Considering that the total investment in the sector was already US\$93 million in 1975, there was a very small increase of just 34%, compared with 171% for manufacturing as a whole during the next five years.

Why this dismal performance?

The answer lies in Japan's tariff structure under which plywood attracts a duty of 17 to 20%, depending on thickness. The duty on tropical sawn timber under the preferential treatment accorded to LDCs, is 5%, but curiously there is none on the same product of the coniferous variety imported from industrial countries. In other words, the preferential treatment is actually discriminating.

Japan is committed under the new world trade regime negotiated in 1980 to lower its duties quite sharply on a broad range of products. But plywood is not one of them: The reduction envisaged in its case is to around 17-18%.

## PROTECTION

This is explained by the uncompetitiveness of the Japanese plywood plants, a fact freely acknowledged by the Government. But this does not bar protection for the 185 units in the business, over four-fifth of them capitalised at less than US\$500,000.

Their production for 1979, the latest year for which figures are available, was much the same as in 1970 while other labour intensive industries like textiles showed a rapid decline.

But such is the power of the agricultural voter that the Government continues against its better judgment to shield this small industry accounting for a negligible share of industrial output and employment. More than that, Tokyo does not flinch from picking a quarrel with a country as important to Japan as Indonesia because of this industry without a future.

Such is the folly underlying the current dispute. It offers a sobering lesson to ASEAN as well as other LDCs that economic logic is often overruled in North-South negotiations in deference to the vested interests of small but strongly entrenched lobbies.

CSC: 4220/25

## INTER-ASIAN AFFAIRS

### BRIEFS

REGIONAL FREE TRADE ZONE--Southeast Asia's economic ministers yesterday agreed to push through the call of President Marcos for the establishment of a free trade zone in the region. The proposal was one of the key issues discussed during the 3-day closed-door session of the economic ministers of ASEAN at the Philippine plaza. In his keynote address Thursday, the president said he sees preferential trade as a way to what he considers our real goal, ASEAN free trade. He added, establishing a free trade regime is an enormous undertaking requiring a great deal of preparation and lead time. The economic ministers of ASEAN said adoption of the free trade concept is in line with the region's trade expansion scheme. The free trade zone calls for the total elimination of any tariff and duty slapped on ASEAN commodities traded within the region. [Text] [HK230046 Manila Far East Broadcasting Company in English 2330 GMT 22 May 82]

CSO: 4220/48

# FORECAST FOR AUSTRALIAN WHEAT HARVEST GIVEN

Rangoon THE WORKING PEOPLE'S DAILY in English 19 May 82 p 6

[Text]

CANBERRA, 17 May— Australian wheat harvest this year will be nearly 16.3 million tonnes equalling last year's, if recent yields per hectare are maintained, the Australian Wheat Board (AWB) forecasts today.

The harvest last year suffered from a slightly smaller planting and bad weather. However, this year with favourable weather, Australia's wheat growing area could increase three per cent over 1981-82 to around 12.5 million hectares, the AWB said.

## Average yield

The average yield over the past five years was 1.29 million tonnes per hectare.

The AWB shipped 1.6 million tonnes of wheat in March 1982, the second highest monthly shipment

on record, and altogether 4.7 million tonnes from last December to the end of March.

The AWB announced today that it has sold 12.8 million tonnes of the last harvest overseas, and is to deliver a total of two million tonnes to the Soviet Union and China by the middle of the year.

During March and April officials of the Japanese Food Agency and the Wheat Unit Import Division visited Australia to tour the wheat areas. This was the second familiarization visit by Japanese interested in Australia as a food source.

The total shipment to Japan in March was 63,545 tonnes. The total shipment of wheat last year 1980/81 to Japan was 913,418 tonnes.

CSC: 4220/23

## AUSTRALIA

### AUSTRALIA'S NIXON ON FOOD AID TO DEVELOPING COUNTRIES

BK070857 Jakarta ANTARA in English 0704 GMT 7 Jun 82

[Text] Jakarta, 7 Jun (ANTARA) Australia's minister for primary industry Mr Peter Nixon said yesterday Australia was committed to helping developing countries raise their food production levels.

Visiting joint Australia-Indonesia agricultural projects in Ciawi and Bogor Mr Nixon described the world food security position as precarious and said that Australia, as a major agricultural nation, was willing to share its expertise and experience with countries wanting to improve their position.

He said that Australia had demonstrated this commitment with an increase of over \$100 million in its overseas development aid in the last financial year. Some of this increase would be used to establish the centre for agricultural research to undertake with developing countries research on their major agricultural problems.

Mr Nixon arrived in Jakarta on Friday [4 June] to attend the 16th regional meeting of the United Nations food and agricultural organisation which he will address on Tuesday. He will leave for Singapore on Wednesday.

Mr Nixon said that Indonesia had made extraordinary progress in reaching self-sufficiency in the production of rice in a very short time. Australia was working with Indonesia now to improve its rice shortage methods, as well as researching rice production and consumption levels.

Mr Nixon said that Australia's experience had been gained in some areas with similar climatic conditions to those experienced in Indonesia and this experience was now being applied in many of the joint Australia-Indonesia agriculture and livestock projects.

Australia was well-placed to play a significant role in Indonesia's drive to increase animal protein production. Joint projects already developed included the project for animal research and development at Ciawi which was providing Indonesia with a modern animal husbandry research centre: The Indonesian Animal Disease Research Institute at Bogor which will develop a central reference laboratory offering highly-skilled consultant services to other veterinary laboratories in Indonesia and to research animal health problems of national

importance. The establishment of provincial animal disease diagnostic centres in Eastern Indonesia, soils, agronomy and animal productivity trials in Sumba and Sulawesi, establishment of a pilot ranch project in Nusa Tenggara Timur in which Indonesian villagers will be given the opportunity to raise cattle and farm small holdings while receiving initial assistance in animal husbandry and farm management techniques, and development of the Pusat veterinaria farm in Surabaya which manufactures viral vaccines for Indonesia's campaign against foot and mouth disease.

Mr Nixon said the majority of these projects were aimed at small stockholders and were showing them practical ways of raising production levels, according to Australian information service.

CSO: 4220/48

## AUSTRALIA

### BRIEFS

NUCLEAR-FREE ZONE--Legislation to declare Victoria a nuclear-free state is to go before the state parliament in October. Victoria's Premier Mr Cain said his government was preparing a bill to ban all major nuclear activities in Victoria, including nuclear power stations, uranium mining and enrichment plants and nuclear waste storage dumps. Mr Cain said transport of nuclear materials through Victoria would also be banned. He had also written to the prime minister informing him that Victoria would not permit nuclear-powered or armed ships to visit the state's ports. Mr Cain said Victoria had no significant nuclear industry at present and the legislation was intended to maintain the present situation. Nuclear materials used for scientific research or medical purposes would be exempt from the ban. [Text] [BK070935 Melbourne Overseas Service in English 0830 GMT 7 Jun 82]

SUCCESS OF EXOCET MISSILE--Australia's Minister for Defense Mr Sinclair says Australian defense experts are studying the success of a French-made Exocet missile in the Falkland Island conflict. One of the missiles fired from an Argentine aircraft sank the British destroyer, Sheffield. However, Mr Sinclair told the meeting of the returned services league in Sydney that while the Exocet was impressive, it had only half the range of the harpoon missile used by Australian forces. He said that when sea-skimming missiles began to find their way into defense force inventories about 10 years ago, research was put in hand to find a counter to them. Mr Sinclair said Australian experts had made significant advances in antimissile capability. The defense minister said Australia's Orion aircraft and FFG guided missile frigates were already fitted with harpoon missiles and the Oberon class submarines would also be able to fire them. He said Australia's F-111 fighter bombers would be able to carry these precision-guided missiles and others. [Text] [BK270919 Melbourne Overseas Service in English 0830 GMT 27 May 82]

CSO: 4220/48

REASONS FOR FAILURE TO REACH TEA EXPORT TARGET TOLD

Dacca THE NEW NATION in English 7 May 82 pp 1, 8

[Article by Sirajul Haque]

[Text] CHITTAGONG, May 6: The tea export earnings will fall short by at least Tk 10 crore of the current financial year's target set at Tk 77 crore.

In ten months ending in April the export earnings were only Tk 65.6 crores. According to an official estimate Tk two crore more will be added to the earnings taking the total to Tk. 67 crore in two months left of the fiscal year 1981-82.

The reasons officially attributed to the fall are: (1) Deterioration of quality, (2) non-implementation of tea policy and tea rehabilitation project, (3) non-availability of shipping space in time, (4) inadequate storage facilities and (5) reluctance of the importers, mainly Pakistan and Egypt, due to accumulated effect of the first four reasons.

Last year Tk 69 crore was earned from export of tea while the projected target was Tk 76 crore. The total shortfall was Tk 7 crore.

It is learnt, Pakistan and Egypt, main buyers of Bangladesh tea, are now purchasing tea from open market of Singapore at competitive price. India and Sri Lanka, the two neighbouring countries, are the A grade tea suppliers to the Singapore auctions market. Canada, New Zealand, Hungary and Australia are participating in the auction.

It may be mentioned that Bangladesh with its high price and deteriorating quality has been out of the international tea auction market despite its earlier decision to participate in the auction.

An official source has said that the contract signed with the chairman of Trading Corporation of Pakistan in Dacca on February 5 last for reexport of one lac ton of tea for Afghan refugees is yet to be fulfilled.

Tea policy this year included a number of provisions besides scheme for replanting and replacement of old plants with high quality clones, import of modern and sophisticated tea processing machinery to replace existing worn out and



obsolete ones, increasing acreage of 'A' category sterling garden and improving quality of existing grades. But none of these provisions embodied in the policy is learnt to have been put to action.

In 1979 an agreement was signed with U.K. for a 22 million pound sterling grant and another agreement was also signed for a grant of 7.5 million dollar with the E.E.C. countries for modernisation of tea estates. Subsequently these two agreements were merged under the name Bangladesh Tea Rehabilitation Project. The project could not be executed for procedural complexities originating from differences between the Tea Board and the Ministry of Commerce.

The country now has 152 tea gardens of which 130 are in Sylhet, 21 in Chittagong, one each in Chittagong Hill Tracts and Comilla. One hundred and four gardens are in the private sector, 29 are owned by multi-national foreign companies, 18 by Bangladesh Tea Board and 1 by the Tea Research Institute. All the gardens producing 'A' grade tea are managed by the Duncan Brothers, James Finlay and show wallace. All the gardens taken together produce about 4 lac pound A grade, 2.4 lac pound 'B' grade and 60,000 pound 'C' grade tea yearly on the average.

Six out of the ten estates sold to private sector on down payment have lost economic viability. Production in 81 more estates have already been stopped. These estates were plan ted 60 years back and have had no modernisation, replan- tation or replacement till now.

Buyers of the disinvested tea gardens have sold out most of the shade trees at high prices without obtaining permission of the Department of Forest. They also obtained huge loan from the Krishi Bank for modernisation of their estates and allegedly misappropriated the whole amounts. Moreover, none of the buyers has paid his oustanding instalments to the government.

Owner's of these gardens refuting the allegations said that as the banks have stopped sanctining of advance against mortgage of crops they can't manage funds to un the gardens and pay government dues.

CSO: 4220/7322

COORDINATION COMMITTEE FOR JUTE PURCHASE FORMED

Dacca THE BANGLADESH OBSERVER in English 12 May 82 p 1

[Text] The Government has decided to constitute a Coordination Committee for jute purchase headed by the Secretary Jute Division, according to an official handout issued in Dacca on Tuesday night, reports BSS.

The committee will comprise of representatives of the jute corporations and Bangladesh Jute Association. The purpose of the committee will be to establish close coordination between the private and the public sectors in their jute purchase programme.

Raw jute export is picking up sharply following the recent meeting of the Secretary, Jute Division with the major jute traders. During the first ten days of the current month 97 thousand bales of raw jute have been exported. The total export in the last ten months of the current fiscal year was about 15 lakh bales.

The Government has asked the shippers for timely shipment of jute and to strictly fulfil their sale commitments. Any lapses on the part of the shippers will be seriously dealt with.

Meanwhile, steps have also been taken to boost jute production and export of jute goods in the next year. The representatives of the jute corporations and private jute traders have been asked to go on field visits to make a preliminary estimate of the next crop.

CSO: 4220/7323

## MARTIAL LAW COMMITTEE TO INVESTIGATE INDUSTRIES

Dacca THE BANGLADESH OBSERVER in English 14 May 82 p 1

[Text] The Chief Martial Law Administrator has appointed a six member Martial Law Investigation Committee to carry out a sample survey of sanctioned industries in the country, reports BSS.

Headed by Brigadier Abul Kasem as its Chairman, the Committee comprises Lt.-Col. M. Anwarul Azim psc. EME. Wing Cdr. Syed Qaiser Ahmed Dr. Aminul Haque, Section Chief Industries Division of Planning Commission, and Mr S.A. Kabir Executive Director Bangladesh Bank as members Mr. Mohammad Ali, Deputy Director-General Department of Industries will be Member-Secretary of the Committee.

The terms of reference of the Committee will be:

- A. To examine the records/documents and ascertain the validity of sanctions given by the financial institutions and department of Industries under various schemes from July 1976 onwards.
  - B. To ascertain how many of the industries sanctioned are in operation. The position of other industries which are in various stages of implementation, for example acquisition of land construction of structure/buildings, installation of machineries opening of L/C completion of loan formalities, etc. are also to be ascertained
  - C. To recommend ways and means to ensure that the purpose for which industrial investment schedule has been prepared is properly served and to recommend ways and means to put the industries sanctioned long before but which are without any sign of implementation into operation in the quickest possible time or recommend withdrawal of the loan/sanction of the projects which do not appear to be feasible.
  - D To indentify the industries in respect of which reasonable ground exists to suspect that possible malpractices or corruption had taken place and further detailed investigations are required.
3. The committee will submit its report by 30 June 1982.

CSO: 4220/7324

PUBLIC QUESTIONED ON GOVERNMENT WORKING

Dacca THE BANGLADESH OBSERVER in English 14 May 82 p 1

[Text] The Committee for Administrative Reorganisation/Reform solicits opinion from the members of the public on different aspects of administration. A copy of the questionnaire may be obtained from Dr. A.M.M Shawkat Ali, Member-Secretary of the Committee and Member-Director (Field) of BADC from Krishi Bhaban, 8th floor, 49-51 Dilkusha C/A, Dacca--2 and the reply may be sent to him preferably by May 20, 1982, says a PID hand out.

A. The questionnaire includes the following aspects about Thana Council:

How the present Thana Council is working, what interest the members of the Thana Council are showing its activities, what type of problems are raised and discussed in Thana Council, whether Thana Development Committee should be abolished, what type of coordination system should be introduced at Thana Council, how far the authority and sphere of work on the Thana Council and the officers working at Thana Council should be increased, what should be the structure of Thana Council, how the Chairman of the Thana Council should be elected and what should be the tenure.

B. The Committee has also solicited opinion about district administration on the following aspects:

What should be relationship between district administration and other officers at district level, whether the Chairman of District Council should be directly elected, what should be the relationship between the District Council and Deputy Commissioner, for what type of problems an individual has to travel to district and Sub-division level and whether such problems can be solved if the Sub-divisions are transformed into district, whether the police should be brought under the control of District Council and what type of magisterial control should be there over police, what measures should be taken to improve the relation between the police and the magistracy on the one hand and the police and the public on the other, is there any necessity to appoint a regional ombudsman to listen to the grievances and harassment of the public, what other measures need be taken to bring the administration near to the masses, what can be done to mobilise resources at the local level.

CSO: 4220/7324

REGULATION ON FOREIGN EXCHANGE REPATRIATION REPORTED

Dacca THE BANGLADESH OBSERVER in English 14 May 82 p 1

[Text] Foreign exchange declared under Martial Law Regulation No. V of 1982 in the prescribed "form of return of untaxed income" will be required to be surrendered/repatriated to Bangladesh within one month from the date of declaration, according to a Bangladesh Bank Press release issued on Thursday, reports BSS.

The Bank has drawn the attention of all concerned to the MLR No. V and pointed out that untaxed income referred to in the regulation would include income held abroad in foreign exchange by a Bangladeshi national.

The time for repatriation, the Press release said, could be extended on merit of particular cases. Requests for any extension are to be made to the Controller of Foreign Exchange, Bangladesh Bank, head office Dacca.

The Press release said foreign exchange so surrendered shall be encashed by authorised dealers in Bangladesh at official rate of exchange outside the Wage Earners Scheme.

It is, however, clarified that Martial Law Regulation No. V does not apply remittances to Bangladesh made by Bangladeshis living and earning abroad.

Income held abroad in Foreign exchange mentioned in the said Regulation would include income held abroad illegally by some Bangladeshis through import/export trade, indenting, export of manpower and other types of services rendered in Bangladesh against foreign exchange earnings etc.

CSO: 4220/7324

BRIEFS

NEW NORWEGIAN AMBASSADOR--Mr. Trancred Ibsen has been appointed Ambassador of Norway to Bangladesh with residence in New Delhi it was officially announced reports BSS. Born in July 1921 Mr. Trancred is a career diplomat who joined the Foreign Service of his country in 1947 and served in various capacities. He was Ambassador of Norway to Hungary from 1968 to 1973 and to the Arab Republic of Egypt from 1973 to 1979. Prior to his appointment as Ambassador to Bangladesh, he was Norway's Ambassador to the People's Republic of China. [Dacca THE BANGLADESH OBSERVER in English 14 May 82 p 12]

CSO: 4220/7325

# EVILS OF SMUGGLING DENOUNCED

Rangoon THE WORKING PEOPLE'S DAILY in English 16 May 82 p 4

[Editorial: "The Evils of Smuggling"]

[Text]

**O**UR hearty congratulations go to the authorities who took prompt action to seize and ban seasoning powder and sweets which were unfit for human consumption. Laboratory tests revealed that these foodstuffs smuggled in from another country contained dangerous ingredients. The seasoning powder under three brands contains potassium nitrate and sodium chloride in amounts dangerous to human organism. The sweets in question contain a sulphur-based compound capable of inducing dizziness, vomiting and cramps in people with sulphur allergy.

While we congratulate the authorities for the good work they have done in removing a hazard to public health, our denunciation in strongest terms goes to the unscrupulous, selfish, money-seeking people who had smuggled these dangerous foodstuffs across the border through Myawaddy into this country and put the public health in jeopardy for their personal gains.

We have spoken against the evils of smuggling a number of times and have no regrets to express our resentment against smugglers once again. Smuggling is a serious threat to our efforts at establishing a socialist society and causes damaging dislocations in our planned economy. The smugglers' faith in personal fortune sharply contrasts with our belief in national wealth through socialism. Their unbridled self-seeking motives are more evident than their

shady transactions. Their moral fibres are more brittle than poisoned sweets they smuggle into the country. They evade customs duty for things taken out and brought in across the border. In short they thrive, as observed by the Party Chairman on one occasion, at the expense of the State.

The Council of Ministers issued orders on 1 June 1981 offering rewards for the seizure of dangerous drugs, State-controlled commodities like gems, jade, metals, forest products and agricultural produce as well as *contraband* smuggled into the country. The aim of the orders was to attract public attention to the problem of smuggling and enlist the co-operation of the people in the suppression of the problem.

Smuggling is abominable for the evils it generates. The Party organs and the People's Councils must step up the anti-smuggling campaign by educating the rural folks on the evils of smuggling and persuading them to blow the whistle on the smugglers and claim rewards for themselves from the State. This action is blessed because it serves the society and the self at the same time.

CSO: 4220/22



PEACE AND TRANQUILITY NEEDED IN SHAN STATE

Rangoon THE WORKING PEOPLE'S DAILY in English 18 May 82 p 4

[Editorial: "Strengthening Peace & Tranquility"]

[Text]

**M**ORE than 10,000 people attended a rally at Kettaung village in Kengtung Township, Shan State, on 9 May morning and denounced the rebels and passed resolutions to oppose and root out insurgency. This is the popular sentiment of the people in areas where the destructive elements still harass the helpless local populace. They extort, torture and kill at random to exert their unwelcome existence.

The rebel menace is hindering our efforts for development in some areas and the Tatmadaw, together with the people and people's militia forces, is battling the rebels dislodging them out of their hide-outs in response to the call of successive Party Congresses. With the co-operation of the people the insurgents have been chased out of the delta and the Pegu Yoma and driven into the remote frontier areas.

The regions freed from insurgency are being consolidated step by step. There are now more white areas and consolidated areas and less black and grey areas. Recently an area consolidation column was launched with a 10,000-strong rally in Tatkon Township, Mandalay Division, in the presence of Party officials, People's Representatives and military officials. It was a show of force of the people, who are determined to consolidate their area into an insurgent-free region so that they would be able to concentrate on political, economic and social development for the local population as envisaged in the Party policies.

Our economy has achieved an impressive, sustained growth in the past few years. The peasants, who bear the major share of the national economy, are much better off now. The insurgents, who thrive in unhealthy conditions are unhappy about the general wellbeing of the people and are out to take every opportunity to sabotage what the people have built up under the leadership of the Party.

Our economy is planned to develop further from the present level and for this purpose we need peace and tranquillity by all means in the whole country. We must therefore carry out measures with renewed energy and stronger determination to unite and banish insurgency totally and completely from the whole country so that we would be able to pursue our political, economic and social objectives in peace of mind.

CSO: 4220/22

## REPORT LISTS INDIAN PLANS FOR AFGHANISTAN AID

Bombay THE TIMES OF INDIA in English 18 May 82 p 1

[Text]

NEW DELHI, May 17 (PTI).

INDIA will step up its assistance to Afghanistan in technical and economic fields under a protocol signed between the two countries in Kabul today.

A modest increase in the number of Indian experts in health and some other fields will follow in terms of the protocol for economic and technical collaboration, which was signed at the conclusion of the three-day meeting of the Indo-Afghan joint commission.

The protocol was signed by Mr. Natwar Singh, secretary in the external affairs ministry, and Mr. Danish Jau, Afghanistan's deputy foreign minister.

Mr. C. R. Gharekhan, joint secretary in the ministry, and the director of the planning commission of Afghanistan signed the agreed minutes of the joint commission.

Mr. Natwar Singh said on his return here that India had agreed in principle to increase by 100 the number of beds in the 150-bed children's hospital in Kabul.

Establishment of a music centre and a gynaecology institute has also been agreed to in principle by India. India's assistance in the field of health will be raised.

The number of Indian experts in various fields, which had dwindled from 150 to 29 in view of the situation in Afghanistan, is likely to be increased modestly.

Afghanistan has also sought India's assistance in setting up small-scale industries and in sectors like trade, water and power.

Mr. Natwar Singh called on the President, Mr. Babrak Karmal, yesterday and delivered a letter from the Prime Minister, Mrs. Indira Gandhi.

During the meeting Mr. Karmal gave an assessment of the situation in the region. He expressed his thanks for Mrs. Gandhi's communication.

Mr. Natwar Singh also met the Afghan Prime Minister, Mr. Sultan Ahmed Khistmand, and the foreign minister, Mr. Shah Mohammad Dost.

The Afghan leaders are understood to have indicated to him their country's willingness to participate in the meeting with the representative of the U.N. Secretary-General in Geneva on June 15 which is aimed at finding a solution to the Afghan issue.

UPI adds: Mr. Natwar Singh disclosed that Mr. Karmal would send Shah Mohammed Dost to Geneva for talks with the representatives of the U.N. chief and Iran and Pakistan.

CSO: 4220/7312

INDIA

FOREIGN MINISTRY OFFICIAL RETURNS FROM KABUL MEET

Calcutta THE STATESMAN in English 19 May 82 p 9

[Text] NEW DELHI, May 18--The Afghan President, Mr Babrak Karmal, has expressed his country's readiness to enter into negotiations with the parties concerned to find an acceptable solution to the Afghan problem.

This was conveyed by Mr Karmal to Mr Kunwar Natwar Singh, Secretary in the External Affairs Ministry, who had gone to Kabul as the leader of the Indian delegation, to attend a meeting of the Indo-Afghan Joint Commission. Mr Natwar Singh is now back in the capital.

Mr Babrak Karmal is believed to have given him his assurance that he was interested in an acceptable political settlement which rules out all foreign interference. He also assured him that Afghanistan would be a genuinely non-aligned country, once a political settlement was reached.

Mr Natwar Singh, who gave Mr Karmal a message from Mrs Gandhi, has brought back a very "warm" personal message for her, from the Afghan President.

During the discussions at the meeting of the joint Commission which was strictly devoted to bilateral economic and technological matters, the two sides are believed to have identified various areas in which cooperation between the two countries could be expanded. Several concrete steps in this direction were taken, and it was decided that a review-committee should meet here later, to assess the progress made on the various projects.

During his stay in Kabul, Mr Natwar Singh had meetings with all senior Afghan leaders, including Mr Karmal, his Prime Minister, and other senior Ministers and officials, including the Afghan Foreign Minister, Mr Shah Mohammed Dost.

President Babrak Karmal also disclosed to Mr Natwar Singh his intentions of sending his Foreign Minister to Geneva to attend the proposed meeting with the representatives of the U.N. Secretary General and Iran and Pakistan to find a political solution to the Afghan problem.

The Afghan Government's readiness to send a high-ranking Minister to the June 15 meeting reflected its flexible attitude on the problem.

PTI adds: India will step up its assistance to Afghanistan in technical and economic fields under a protocol signed between the two countries in Kabul yesterday.

CSO: 4220/7315

AGREEMENT WITH PAKISTAN ON CONSULAR ACCESS REPORTED

New Delhi PATRIOT in English 13 May 82 p 1

[Text] India and Pakistan have agreed in principle on providing consular access to Indians detained in Pakistani jails and Pak nationals held in Indian jails reports PTI

According to a letter from the Pakistan Embassy in Delhi to the Vishwa Hindu Parishad, the modalities for such access were still being worked out.

It said, the question of repatriation of each other's nationals held in jails was under consideration of the two governments. The release placed the total number of such prisoners held by both countries at 250.

The letter released to the press by the embassy on Wednesday while denying the parishad's charge that the condition of Hindus in Pakistan was 'deplorable' says that this should have been apparent from reports that there were no casualties in the communal incidents that took place in Kashmir. Those responsible, it said, would be dealt with under the law.

The embassy also stated that the shrines of Katas Raj in Punjab and Hayatpita in Sind would be thrown open to pilgrims from India after necessary arrangements were completed.

CSO: 4220/7309

DACCA, DELHI REPRESENTATIVES ARGUE AT NAIROBI MEET

Calcutta THE STATESMAN in English 19 May 82 pp 1, 9

[Article by Chander Mehra]

[Text] NAIROBI, May 18--India and Bangladesh again had a heated exchange today at the 10th anniversary session of the United Nations Environment Programme. Following on his accusations of May 15 that diversion of the waters of the Ganga River in India was causing a desert to spread in his country, the Bangladesh representative said the problem had arisen only after the commissioning of the Farakka dam in India, depriving Bangladesh of "its normal and legitimate share of water"

The Indian representative regretted the attempt by Bangladesh to internationalize a bilateral issue not related to the UNEP session of a special character and characterized it as unfortunate.

Drawing attention to the November 1977 agreement on the Farakka between the two countries, he said India had guaranteed 80% of the agreed quantum of water to Bangladesh, "regardless of the availability at Farakka" and even at "the risk of adverse consequences" to India.

He said the fact that India had always supplied Bangladesh's full entitlement of waters was testified to even by the Bangladesh Minister for Irrigation, Kazi Anwarul Haq, in a Press statement in Dacca on July 25, 1981.

India also "firmly opposed" the inclusion of Bangladesh in the list of countries eligible to receive assistance under the plan of action to combat the formation of desert since there was no evidence that the country was turning into a desert.

The representative said that Bangladesh was "extremely well-endowed with water resources and considerable flows of the rivers Ganga and Brahmaputra were allowed to run waste to sea". He contended that the amount of water allowed to annually run waste to sea by Bangladesh would be enough to inundate the entire country in a 30-feet-deep sheet of water.

Earlier today, the Bangladesh representative denied injecting policies into the deliberations of a non-political conference and blamed India of attempting to do so.

He took strong exception to India's condemnation of his May 15 statement, contending that "no body has any right to condemn any statement made by any other delegate".

He said the condemnation was "out of order, irrelevant and un-called for" and demanded that the word "condemn" be withdrawn and expunged from the proceedings of the plenary session.

On his earlier claims about growing desert patches in Bangladesh, the country's representative said the "fact was surveyed, verified and acknowledged by United Nations agencies concerned in Bangladesh".

He admitted that Bangladesh did have the problem of floods "but if we did not also have the problem of reduced waterflow in the Ganga River, why should we then ask for more: certainly not to drown ourselves".

He insisted that the Ganga River problem was a multilateral issue because a third country was also deeply connected.

The Indian representative emphasized that the solution to such matters must be found in a spirit of accommodation and reciprocity and that any contentious reference to them out of their proper context did not help solve problems.

All Bangladesh statements at the session, expected to conclude some time tonight, were made by Mr A. M. Rashed Chowdhury, a counsellor at the High Commission in Nairobi, and not by the High Commissioner, Mr Hamidullah.

According to sources, Mr Hamidullah first learnt of the furore caused by Mr Rashed Chowdhury's statement at a party on the evening of May 15 and was surprised by the intensity of the attack on India.

CSO: 4220/7315

## DETAILS OF NEW AGREEMENTS WITH NEPAL ANNOUNCED

Madras THE HINDU in English 19 May 82 p 7

[Text]

NEW DELHI, May 18.

India and Nepal have agreed on a number of measures to check smuggling, promote bilateral trade and improve transit facilities for Nepal through Indian territory.

Details of the new facilities extended by India to Nepal under the Indo-Nepalese treaties of trade and transit and agreement for cooperation to control unauthorised trade were officially announced today. The agreement was concluded in Kathmandu on Saturday.

The Officer on Special Duty in the Directorate of Revenue Intelligence here and the Director-General of Customs, Kathmandu, have been designated "contact points" for cooperation to check unauthorised trade.

It was also agreed at the recent fifth meeting of the Indo-Nepal Inter-Governmental Committee in Kathmandu that the Director-General of Customs of Nepal and the Collector of Customs, Patna, should meet at least once in six months. Both sides would exercise greater vigilance in the border areas to monitor and control unauthorised trade.

An official release said here today that Nepal had assured supply of logs and sleepers for the Indian Railways on time. The Indian side had agreed to waive the pro forma pro-

cedure in the case of items of clearly Nepalese origin like 'katha', unbranded ghee and minerals like limestone and slate.

**Pro forma streamlined:** It was noted that processing of pro forma had been streamlined and the time lag in issuing notifications for preferential entry into India of Nepalese industrial products would now be considerably reduced. India would renew notifications without insisting on fresh pro forma if the Nepalese authorities certified that there was no change in the contents of the product.

It was agreed to provide insurance cover for all goods in transit. Even in regard to goods belonging to private Nepalese parties and moving to Nepal in private trucks, insurance cover is expected to be made available by June 30 after completing the modalities.

The meeting had observed that the transit facilities at Calcutta port had improved considerably. L-1 restriction for movement of transit goods via Garahara had been removed. Therefore, there would not be any difficulty in the movement of bulk cargo from the transit shed within the prescribed period.

Even so, as a special gesture, India agreed to increase the period of 15/30 days to 45 days in respect of Nepalese traffic in transit.

CSO: 4220/7317



USSR, SAUDI ARABIA, OTHERS TO SUPPLY CRUDE

New Delhi PATRIOT in English 20 May 82 p 1

[Text]

THE Soviet Union will supply 2.5 million tonnes of crude to India in the current year.

An official delegation returned to the Capital on Wednesday after signing the agreement in Moscow.

The Soviet Union has already agreed to supply 1.5 million tonnes of kerosene and 0.67 million tonnes of high speed diesel (HSD) under a separate agreement.

The Indian delegation that went to Moscow was led by Indian Oil Corporation chairman A. J. A. Tauro and included the Director of Refineries in the Petroleum Ministry, Mr Samar Ghosh, and the Finance Director of IOC, Mr K. L. Goel.

The Soviet Union has already supplied 0.2 million tonnes of crude out of 2.5 million tonnes.

Saudi Arabia also would supply two million tonnes of crude to India. Mr Tauro will leave for Saudi Arabia on Friday to sign a new agreement as the existing one for the import of 1.1 million tonnes of crude from that country ends this month.

Move for an agreement with Saudi Arabia has followed from Prime Minister Indira Gandhi's visit to that country last month.

The country faces deficit in matter of crude by about 14 million tonnes and has already signed for imports of 3.3 million tonnes for crude from Iraq, 2.3 million tonnes from Iran, one million tonnes from UAE and half a million tonnes each from Nigeria and Venezuela.

CSO: 4220/7320

## FIRST INDO-ROK JOINT VENTURE PLANNED NEAR MADRAS

New Delhi PATRIOT in English 20 May 82 p 7

[Text] SEOUL, May 18 (PTD)—The first Indo-South Korean granite stone joint venture will be established in India near Madras. With the formal exchange of letters of intent on Buddha Jayanti—a public holiday in South Korea—a spokesman for South Korean partners said the deal was likely to be concluded in June and the manufacture of Buddhist idols would commence in July.

Prior Government approval is necessary for the conclusion of the deal. When concluded, the product of this Rs 50 lakh Indo-South Korean joint venture will go to Japan where Buddhism reached, like Korea Via China in 550 AD, and was even today practised by the majority of the population.

A private sector South Korean industrial stone enterprise has already set up its office near Madras, and after the conclusion of the deal, intends to bring 40 per cent equity and advance stone cutting and polishing machines into India, the spokesman said.

The joint venture is being helped by the nationalised Indian Overseas Bank and is aimed to meet the increasing demand of Buddha's statues, pagodas, lanterns and stupas.

South Korea, which imports granite stone from India, is presently baffled by the increasing wage and decided to go to India because of wage advantage and good quality of granite stone, the spokesman said.

The joint venture will use Indian manpower while South Korean technicians will train Indians and return home after six months, the spokesman added.

CSO: 4220/7320

## FAVORABLE REACTION TO GANDHI PLANNED U.S. VISIT

Bombay THE TIMES OF INDIA in English 19 May 82 p 8

[Article by Girilal Jain]

[Text]

AS things have worked out, Mrs. Gandhi will now be visiting the United States ahead of the Soviet Union. This is obviously not deliberate. Circumstances beyond her control account for it. As such it would be wrong to see in this order of visits an attempt to shift the emphasis of India's foreign policy. But the move has been received enthusiastically by many Indians.

There has existed a sizeable pro-U.S. lobby in India since independence. Anti-communists of all varieties have, for example, consistently favoured close ties with the U.S. regardless of its policies towards this country. They were temporarily silenced in the mid-fifties when Washington not only sided with Pakistan on the Kashmir issue but decided to arm it in a big way. They were, however, not convinced that their advocacy was misplaced. Indeed, the desire to compel Mr. Nehru to correct what they felt was a pro-Soviet imbalance in his foreign policy accounted partly for the ferocity of the campaign highly respected individuals like Mr. Jayaprakash Narayan and Acharya Kripalani launched on the Tibet issue in the fifties and early sixties.

### Ill Conceived

This pro-U.S. sentiment was reflected in the Janata prime minister's and external affairs minister's talk of "genuine non-alignment". The talk was ill-conceived, implying as it did that Mrs. Gandhi had followed a pro-Soviet policy in disregard of the national interest. But it was not an exercise in anti-Sovietism and anti-communism. Mr. Morarji Deesai and Mr. Atal Behari Vajpayee favoured continued co-operation with the

Soviet Union and did nothing to hurt it in any way. And they got on reasonably well with both, the CPM and the CPI. It was clearly a mistake to interpret their approach in cold war terms. They were giving expression to a deeper yearning of a lot of Indians.

Indeed, we cannot be sure whether even in the fifties and the sixties we were justified in equating the pro-U.S. sentiment with anti-Sovietism and anti-communism just because its leading and articulate exponents such as Mr. Minoo Masani were anti-communists. In any case, it seems evident in retrospect that by the time the Janata came into power in 1977, the pro-U.S. sentiment had ceased to be a product of anti-communism and anti-Sovietism.

The emergency had contributed to it in two ways. First, Mr. Sanjay Gandhi blocked for communists and pro-communist leftists access to the corridors of power and initiated a reversal of economic policies which had favoured an ever-expanding public sector, nationalisation of key industries and major banking institutions, and a regime of controls. Secondly, the curbs on liberty especially the imposition of censorship on the press, emphasised for millions of politically-conscious Indians the value of liberty for which the West stood.

For all we know the U.S. administration might have found it easier to deal with the emergency regime than the Soviet government. But the Soviets could not claim to stand for individual liberty which the U.S. did. And by opposing the emergency and by advocating the cause of democracy, the Western media won for the West enormous goodwill in

this country.

The pro-West sentiment did not contribute to the Janata party's victory. It was wholly the product of popular reaction to the excesses of the emergency, particularly those committed in the implementation of family planning and slum clearance programmes, and alienation of almost the entire intelligentsia from the Congress party. But the Janata's victory represented the triumph of pro-West feelings. The party contained certain individuals such as Mr. H. N. Bahuguna and Mr. Nandini Satpathy who were known to be pro-Soviet. But essentially the Janata was a coalition of elements who had been opposed to Mr. Nehru's and Mrs. Gandhi's allegedly pro-Soviet foreign policy.

The charge against Mr. Nehru has, of course, been patently false. He shaped his policy when the U.S. power not only in relation to the Soviet bloc but also to the whole world was at its height and Washington was determined to isolate and surround communist countries, including China, and bring other major and strategically placed countries, including India, under its dominance through a series of alliance systems. He had no choice but to resist this encroachment on India's newly won freedom of action. He persisted in this approach in the face of Soviet-Chinese distrust of him. Naturally he grasped the hand of friendship which the post-Stalin Soviet leadership offered him. But the groundwork of his broad approach had been laid before, that is, in the period when the Chinese communists described him as the "running dog of imperialism" and Soviet leaders and theoreticians and their Indian supporters even disputed that India was a genuine independent country.

### Own Predilections

Mr. Nehru had his ideological and other predilections born out of his Brahminical background, his education in a British school meant for the aristocracy, his acceptance of the Marxist doctrine, though in its Fabian garb and his

leadership of the Indian independence struggle which he saw as part of the larger movement for the emancipation of all suppressed peoples. He regarded the Soviet Union as an ally in this larger struggle and after World War II America as an opponent because in his view it had taken the place of Britain, France, Holland and Belgium as the promoter and protector of Western hegemony. But despite his authority in the government and influence with the people, he could not have ignored the pro-U.S. sentiment in the country if President Eisenhower had not decided to arm Pakistan and involve it in wider alliances.

This produced a convergence between India's security interests vis-a-vis Pakistan and the Indian left's aversion to the United States. It lasted till 1971 when Pakistan broke into two and Bangladesh emerged as an independent nation. This eliminated the foundation on which an anti-American stance could be built and sustained. Thus despite Mr. Nixon's well-advertised tilt towards Pakistan during the Bangladesh conflict there was no off-swing against America. In 1973, Mrs. Gandhi responded enthusiastically to proings by the Shah of Iran, America's staunchest ally in the Gulf, and in 1974 Mr. Kissinger received a warm welcome in New Delhi.

President Reagan has returned to the Dullesian policy of rearming Pakistan. Inevitably Mrs. Gandhi has reacted sharply and underlined its dangerous implications for India's security again and again. But this has not made much impact on the people, particularly the intelligentsia who are normally sensitive to problems of the country's defence. The people refuse to believe that Pakistan can in the foreseeable future constitute a threat to this country.

### Invaluable Help

The Soviet Union rendered invaluable assistance to this country in the establishment of basic industries in the public sector. But the public sector as a whole has not done well with the result that

it has few influential champions these days. Indeed, the impression has spread that Soviet-style economies have not done well anywhere in the world. In ideological terms the cause of free enterprise has triumphed in India, reinforcing the pro-West sentiment.

As is well known, America has replaced Britain as the main centre of learning for Indian students. Thousands of them are studying there, many of them never to return home. Thousands of other well-qualified Indians have settled there to become, in per capita terms, perhaps the richest ethnic community in that land of opportunities. Their parents and relatives have not organised themselves. U.S. Congressmen friendly to this country have even expressed surprise that the people of Indian descent in America have not sought to mobilise opinion against arms supply to Pakistan. Even so the presence of about a quarter million people of Indian origin and the fact of their doing well cannot but strengthen the pro-U.S. sentiment.

It is ironical that this sentiment should continue to assert itself at a time when the American people have put in office an administration which is pursuing a whole range of policies which hurt this country's interests in several ways. For the Reagan administration has not only decided to arm Pakistan but also reduced its contribution to the World Bank's soft-lending affiliate, the IDA, of which India has been the single biggest beneficiary. And it has refused to honour the commitment for the supply of enriched uranium for the Tarapur plant. But the fact remains that despite all this the pro-U.S. sentiment remains strong.

It will be ridiculous to infer that this would make it difficult for New Delhi to pursue a rational foreign policy which must emphasise co-operation and friendship with the Soviet Union. The government retains its freedom of action in this field. But a sensitive leadership cannot ignore public opinion even if it remains unorganised and diffused.

## MALHOTRA RETURNS FROM HELSINKI FINANCE MEETINGS

Madras THE HINDU in English 18 May 82 p 9

[Text]

NEW DELHI, May 17.

India's share of concessional loans from the International Development Association (IDA), the soft-lending affiliate of the World Bank, in 1982-83 is likely to go up to about \$1,000 millions (Rs. 900 crores) from the \$850 millions (Rs. 765 crores) anticipated earlier, while non-concessional assistance from the World Bank, carrying an interest of between 11.6 and 11.7 per cent, may amount to \$1,100 millions (Rs. 1,000 crores).

Mr. R. N. Malhotra, Secretary of the Department of Economic Affairs of the Union Finance Ministry, who had attended the Helsinki meeting of the Interim and Development Committee meetings of the International Monetary Fund (IMF) and the World Bank, gave this indication here today.

Mr. Malhotra, who also answered questions on India's balance of payments, said the current account deficit for 1981-82 would be around Rs. 3,000 crores. He expressed the hope that in 1982-83, the position would be somewhat better.

**Balance of payments:** Explaining why despite the decline in oil prices the situation continued to be difficult, Mr. Malhotra said the prices had not come down very much. He said remittances from Indians abroad were not going down, but the rate of growth had slackened. Another factor was that with the decline in the exchange reserves, investment income from the reserves had gone down.

**New development:** Mr. Malhotra said the outlook for flow from the IDA had brightened, because a number of countries were inclined to give up the concept of "proportionality" to the U.S. contribution to IDA-VI and to give their full share. While Britain was providing its full share, France and Canada had said their contribution would be more than proportionate, the extra funds being paid into a sub-account. This fund could be utilised in the same way as IDA funds, but procurement of materials would be limited to those countries which had provided the extra money.

"This is a new development," Mr. Malhotra said, "but there is no agreement on this yet." Japan has paid its share on the basis of proportionality with the U.S. contribution and

an additional amount, but not the full amount. But West Germany is insisting on proportionality. The Scandinavian countries and the oil-exporting countries are also paying their full share and have ignored proportionality. "By and large," Mr. Malhotra said, "the IDA-VI replenishment would, to a very large extent, be substantially implemented."

**IDA VII replenishment:** He said there were a number of problems with regard to IDA-VII replenishment. The general feeling is that the U.S. would provide only the remaining portion of the money from IDA-VI. Pointing out that there is a lot of thinking on what should be the shape of the size of the IDA funds in the future, he said that Mr. A. W. Clausen, President of the World Bank, had said that an idea being floated was that while making the resources available from IDA, there should be some differentiation in the matter of terms and conditions to the IDA recipients, which will mean that the terms will harden for some countries by way of higher interest charge. Though the donor-countries have not responded to this idea, Mr. Malhotra said, "So far as we are concerned, we expressed our concern. Our view is that the same criteria should apply to all the recipients."

**Energy funding link:** He said that while some developed countries felt that the level of lending from the World Bank and the IDA should not be raised very much more than at present, the developing countries felt that looking at their needs, there ought to be an increase in lending in real terms and this question should be linked to energy funding. The Bank management feels that it had already raised the proportion of lending for the energy sector to about 25 per cent of the total bank and IDA lending from 15 per cent earlier. "We have been urging all the time," Mr. Malhotra said, "that while we welcome this focus on energy, so long as it is coming out of the limited funds of the Bank and the IDA, it is at the expense of agriculture and other important sectors. It is necessary to provide some kind of additional resources. We have been of the view that the new energy-affiliate should be set up, but there

is a lack of consensus. We should pursue this idea because a very large number of countries favoured this. But setting up this institution will take time and if, in the meanwhile, funding for the energy sector is to be raised substantially, it is necessary that the level of the Bank's lending should go up in real terms."

**IMF quotas and review:** Commenting on the interim committee deliberations, Mr. Malhotra said that there were sharp differences on the question of the IMF quotas and the eighth review of the quotas. The IMF staff had produced a paper in which they have said that if the IMF were to meet the demands of the member countries from its own resources, the size of the Fund resources should go up from \$61,000 millions to \$130,000 million. Unless this was done, it would not be possible to meet the demands which were expected to reach \$85,000 millions by the middle of this decade. But the U.S. took the extreme position that it would not be necessary to provide larger resources to the IMF which should concentrate mainly on difficult conditionality.

**The middle position:** The other developed countries took the position which is "somewhere in the middle," though they do not want the funds increased. The developing countries have said that there must be a substantial increase so as to restore the percentage of the Fund's resources to the world's imports as it prevailed in the early sixties. Ultimately there was a general recognition that the IMF's resources should be increased and its own resources should be the primary source for meeting the needs of its members. The negotiations

for the eighth review of the IMF's quotas would be completed by the end of 1983 and additional funds should be available from 1985.

**Distribution of quotas:** On the question of distribution of quotas, Mr. Malhotra said that the IMF staff has been doing a number of exercises and bringing out alternatives. The developing countries' view is that their quotas should go up from 33 to 45 per cent. "We endorsed this position and said that in no case should the quota of any developing country go down."

**Regional representation:** Mr. Malhotra said that India insisted that while determining the quotas, the consideration of balance in regional representation should be kept in view. There was also the question of allowing special increases to countries whose position has improved and who are now large lenders to the fund, for instance, Saudi Arabia and Kuwait. They are naturally asking for special increases. "Our view is that a major portion of the increase should be distributed on a pro rata basis and the special increases should go essentially to new capital exporters which means new developing countries."

**"Too high for our taste":** Mr. Malhotra said that the stand taken by the Interim Committee on the importance of monetary policies was a "bit too high for our taste. While we recognised the importance of restrictive monetary policies, it was our view that an answer to the present economic malaise would be for the major economies to start growing a little bit, because unless they did so, the demand for exports of the developing countries is not likely to rise very much."

CSO: 4220/7313



## GANDHI SPEAKS AT CALCUTTA ELECTION MEETING

Calcutta THE STATESMAN in English 14 May 82 pp 1, 3

[Text] Addressing a large election meeting on Park Circus Maidan, in Calcutta, on Thursday evening, Mrs Gandhi said that the CPI(M) was not a progressive party because its main concern was not the poor but the party. It did not believe in either democracy or Socialism. The party's interest was above everything.

There was no Communist country in the world where the multi-party system was accepted. The Communists in West Bengal believed in the same ideology, but blamed the Congress (I) for being "undemocratic". There had always been some non-Congress (I) Governments in some States when the country was being ruled by the Congress (I).

The Leftists in West Bengal had always carried on a "false campaign" against her and the Congress (I), she said. Lawlessness and violence had increased in the State. The CPI(M) was very vocal against the Centre on certain issues but it kept quiet on the "murder of Congress (I) workers in the State and attack on Congress (I) candidates". Endless Congress(I) personalities and the Centre had eroded the credibility of the Marxists, she felt.

Mrs Gandhi was also critical of the education policy of the Left Front Government. "It is strange that students in schools are being taught Marx and Lenin". She thought that while knowledge of world leaders was essential for students, it should not be done at the cost of national leaders. She had been told that most of the national leaders Bengal had produced were being ignored in the school curriculum.

Addressing an election meeting at Baraset, in north 24 Parganas, on Thursday afternoon, Mrs Gandhi said the threat of a global nuclear war was looming large and this was not the time for raising the "Indira hatao" slogan. Pointing her finger to trees and flying birds around the meeting ground, she said that nothing would survive if a nuclear war broke out.

Mrs Gandhi said India was striving hard to maintain peace in the world. But even for working for peace, the country should be strong and united. She said the Opposition parties were campaigning against her as if she was obstructing the country's progress. While her party's slogan was "garibi hatao," the Opposition parties, such as the Bharatiya Janata Party and the CPI (M), believed in the "Indira hatao" slogan.

The Prime Minister asked why the country had not made any progress when she had not been in power for three years. Answering her own question, she said progress had been stalled then, particularly on the economic front, because the leaders who had been in power had spent most of their time in planning to oust her from politics. Nearly 140 court cases had been brought against her and she had even been thrown out of Parliament.

The Prime Minister said the country had prospered much since Independence but the benefits had not reached all mainly because of the increase in population. The country's population had doubled in the past 30 years.

Our Correspondent adds from Amta: Mrs Gandhi said at an election meeting here on Thursday that defeat or victory in the election was not the main issue. Her main purpose was to strengthen the country and protect democracy so that her countrymen could hold their heads high in international spheres.

She urged her audience to vote fearlessly so that democracy could be firmly established and the reign of terror banished for ever.

The Union Finance Minister, Mr Pranab Mukherjee, said that the total amount of overdraft taken by the West Bengal Government from the Reserve Bank of India was Rs 594 crores. It was high time to put up a notice board in front of the Reserve Bank of India to remind the West Bengal Government: "Please do not embarrass us by asking for loans"

Our Correspondent adds from Kolaghat: Addressing a largely-attended meeting here this morning, Mrs Gandhi said that the Marxists were out to establish one-party rule in the State by crushing other parties. That was why they had adopted a "policy of political murder and violence", which was not a healthy sign for democracy. Although the CPI(M) claimed to be a champion of socialism, she wondered how it could remain silent against the activities of the BJP, Lok Dal and other "right reactionaries" which were encouraging communalism and torture on Harijans in northern India.

Denying the charge of postponement of elections in West Bengal and elsewhere by the Congress (I), the Prime Minister said that her party had never postponed elections, nor was it planning to do so, since it believed in democracy. She asked CPI(M) supporters to inquire what sort of elections were being held in Communist countries. Earlier, Mrs Gandhi addressed two meetings at Contai and Haldia.

According to Our Arambagh Correspondent: The Left Front Government in West Bengal was "a complete failure", because during the past five years it could do nothing worth mentioning for the welfare of the people. The State's problems had become complicated because of Marxists mixrule. Mrs Gandhi told two election meetings at Arambagh and Serampore on Thursday.

Democracy, the Prime Minister remarked, was not safe in the hands of the Marxists, adding that those were two opposite ideologies. Nowhere in the world, she explained, did Marxists tolerate democratic parties which criticized them.



Mrs Gandhi alleged that the Marxists in West Bengal received enough money from the Centre, but instead of spending it for the benefit of the poor, they built their own fortune. She appealed to the people to vote for Congress (I) candidates in the interest of building a golden Bengal.

Mr Pranab Mukherjee, said that the Left Front manifesto contained no substance, and it was intended only to vilify the Congress. He emphasized that the Centre had not acted as a stepmother to West Bengal in allotting funds. The truth was, he added, that the State Government had been unable to spend the funds in full for its failure to prepare schemes.

Our Correspondent in Burdwan adds: Addressing an election meeting at Kanainat-shal on Thursday, Mrs Gandhi called on the people to strengthen the hands of the Congress (I) for the uplift of the poor and the all-round development of the country. She said that the Marxists were trying to introduce a system which was not in conformity with the social and cultural heritage of the country.

The Marxists, Mrs Gandhi alleged, were interested only in furthering their cause and ensuring that benefits reached their party men alone. A reign of terror was prevailing in rural Bengal, factories had remained closed during the Marxist rule and a persistent attempt was being made to destroy the educational system, she alleged.

The Prime Minister admitted that there was violence in other States, such as Bihar and Uttar Pradesh, but it was social and economic, while in West Bengal violence were purely political".

CSO: 4220/7310

GANDHI TALKS TO NEWSMEN AFTER TOUR OF NORTH

Remarks on CPI-M, Other Matters

New Delhi PATRIOT in English 13 May 82 pp 1, 7

[Text] CALCUTTA, May 12 (UNI, PTI)--Prime Minister Indira Gandhi said today that the CPI-M was trying to get her ousted through a new President to be elected in July.

Asked whether she expected the CPI-M's support for her party's candidate in the coming presidential election she replied 'certainly the CPI-M will not support'.

Mrs Gandhi, who was speaking to newsmen on her arrival at Calcutta airport from Trivandrum said, on the other hand, the CPI-M was working to get a President elected 'who can oust me'.

This was clear from the recent statement of CPI-M general secretary E M S Namboodiripad, she added.

To a question whether in her opinion the CPI-M was undemocratic Mrs Gandhi replied "I do not say they are undemocratic. But the Marxists do everything in their party interests'.

The Marxist system was that here or wherever in the world they were in power 'they place their party above everything the administration and the people' she said.

In Kerala, she added even things were distributed to the people through their (Marxists') party when they were in power, she added.

At Cochin, Mrs Gandhi said a unanimous choice of the next President would depend upon the Option. It would depend upon the person the Opposition sponsors, she told newsmen at the airport.

Former Prime Minister Moraji Desai and Bharatiya Janata Party leader L K Advani had recently suggested that the next President should be elected unanimously.

Talking to newsmen before leaving for Calcutta after the completion of the second phase of her election campaign in Kerala, she said she could not

understand the meaning of the statements of some opposition leaders that the outcome of this month's Assembly elections in four States would have a 'serious bearing' on the shape of Indian politics.

Mrs Gandhi, however, asked what was wrong even if the present system of government was changed to a presidential one.

Surely the opposition parties would not say that the United States and France, where Presidents ruled, were not democracies, she added.

Answering a question the prospects of unity between the Congress-I and the Congress (A) in Kerala, Mrs Gandhi said: "Our unity is in work, in policies and programmes. Only such unity matters."

The Prime Minister declined to comment on the election prospects for the United Democratic Front in the Assembly elections next week. She said: "I had not been giving my assessment (on these matters) for the last 35 years".

The Prime Minister was asked during a 15 minute informal press conference whether she welcomed the church coming out openly in favour of a particular front.

She evaded a direct answer and countered: "Is he (Dr Poulouse Mar Poulouse of the Chaldean Church) known here. Who is he?"

(According to a report, the Clergy Fellowship for Human Rights, Kerala, has decided to support the CPI-M-led Left Democratic Front in the coming Assembly elections.

Mrs Gandhi said the CPI-M by its policy had given way to obscurantism and communalism in Kerala, which was known for communal harmony and peace. "For the first time we see communal trouble (in Kerala)," she said.

Summing up her impressions of the tour, the Prime Minister said she saw good gatherings, including women, at the meetings she addressed. She said there had been reports of Congress-I and UDF workers being beaten up in different places.

Asked about Chief Election Commissioner S L Shakhder's opinion that the law and order situation in West Bengal was favourable for holding free and fair elections, Mrs Gandhi replied, "Our people are being killed here. Now if the Chief Election Commissioner finds that the situation is fine, I have nothing to say."

She denied as having said during her last visit to Calcutta that the law and order situation in West Bengal was not conducive to holding free and fair elections "I have not made any such statement," she told a questioner.

She ruled out the possibility of the Congress-I boycotting the West Bengal Assembly elections in view of any unfavourable situation.

## Falklands, Nuclear Developments, Others

New Delhi PATRIOT in English 13 May 82 pp 1, 7

[Text] CALCUTTA, May 12--Prime Minister Indira Gandhi said it an unfortunate that Britain and Argentine are locked in an armed conflict and expressed the hope that the problem would be solved through negotiations.

Mrs Gandhi was talking to newsmen at the Calcutta airport on her arrival here this evening on the second leg of her electioneering.

The Prime Minister dismissed as baseless the statement made by Mr Atal Bihari Vajpayee that India would soon explode a nuclear device in order to divert the attention of the people.

She also rejected the very idea that there might not be any election in West Bengal. She said it was an absurd idea.

On the law and order situation in West Bengal Mrs Gandhi said it has deteriorated further. She would not agree with Mr S L Shaktiher's observation that the law and order situation here was good. How could this be claimed she asked when workers of her party were being murdered.

Unfortunate

PTI adds:

Asked for her comment on the Soviet government's decision to accord first priority to defence because of the Western posture, the Prime Minister said 'It is obvious to everybody that the situation is serious. All I can say is that this is unfortunate.'

The Prime Minister said 'we believe disputes should be discussed and negotiated'.

Asked if India could hope for better relations with China in the course of the next two to three years, Mrs Gandhi said 'We hope for it. Our policy is strengthening of friendship where it exists creating one where it does not and lessening of hostilities'.

Commenting on the Pakistani President's contention over Gilgit, the Prime Minister said 'the stand of the Government of India is quite clear. I have made statements in Parliament and else where too'.

The Prime Minister described as 'false' the allegation of Marxist leader Dasgupta that she was vitiating the atmosphere in West Bengal. 'In what way am I vitiating the atmosphere?' she asked.

Mrs Gandhi said 'the opposition is spreading lies through the years and this is another. They have nothing else to say when the country is facing so many problems'.

The Prime Minister did not see any reason for the Congress-I in West Bengal to boycott the elections as the party did during the panchayat elections a few years ago.

## GANDHI REMARKS ON PRESIDENTIAL SYSTEM

Madras THE HINDU in English 13 May 82 p 7

[Text]

COCHIN, May 12.

The Prime Minister, Mrs. Indira Gandhi, today reiterated that she had no intention to introduce the Presidential system of Government in the country, but asked, "supposing we change over to the Presidential system, will it not be a democracy?"

She pointed out that France and the U.S. were democracies though they had Presidential systems.

Mrs. Gandhi was answering newsmen at the airport here before leaving for Calcutta after a two-day flying election campaign in Kerala.

In the Indian Constitution the duties of the Prime Minister and the President were well defined and there was no need for them to clash, Mrs. Gandhi added.

Mrs. Gandhi said not once in the past had the predictions of the Opposition been correct. The Opposition parties were always away from reality, she said.

Asked about a Kerala clergy fellowship's call to the electorate to vote for the LDF, Mrs. Gandhi said she did not count much on who supported her or who did not. She wanted to work on the basis of ideals and not on the basis of communal and obscurantist aspirations, as it was with the Opposition.

CSC: 4220/7308

## PROBLEMS OF BORROWING FROM ASIAN BANK TOLD

Madras THE HINDU in English 14 May 82 p 8

[Article by C. V. Gopalakrishnan]

[Text]

**India has made known its intention to borrow from ADB and has asserted its undeniable right to do so but an obstructionist attitude on the part of the U.S. threatens to reduce the availability of the Bank's lendable funds.**

INDIA'S intention to borrow from the ordinary capital resources of the Asian Development Bank from 1983 onwards seems to have raised fears that the proposed Indian borrowing will reduce the availability of the Bank's lendable resources to other countries in the region which have been the beneficiaries so far.

Both Mr. R. Venkataraman, who at the time he was Finance Minister, gave advance intimation last year of India's intentions to borrow from the Bank and Mr. Pranab Mukherjee who succeeded him have given assurances that the Indian borrowing which will be confined to the ordinary capital resources of the Bank at a higher rate of interest than is charged for the concessional loans given from the ADB's soft-lending affiliate, the Asian Development Fund (ADF) should not reduce the availability of lendable funds to the other beneficiaries. Mr. Mukherjee told a news conference in Manila that India would exercise moderation while borrowing from the Bank.

**Assurances unnecessary**

It should have been unnecessary for the Finance Minister to extend such assurances in view of the fact that, as a subscriber to the capital stock of the ADB, India has a right to the lendable funds from the ordinary capital resources. The severe balance of payments constraints imposed on India have left it with no choice but

to make a departure from the policy of self-denial it has so far followed in respect of borrowing from ADB.

India has scrupulously honoured its commitments by way of subscription to the capital stock of the ADB amounting to \$546.37 millions which is inclusive of the second general capital increase of 135 per cent approved by the ADB's Board of Governors in 1976. Out of this total subscription, \$440.58 millions remain callable while \$105.79 millions have been paid in. This paid-in amount is broken into \$46.97 millions in convertible currency and the remaining \$58.82 millions is in the form of non-negotiable, non-interest bearing rupee securities.

India hopes to borrow about \$2,000 millions from the ordinary capital resources of ADB during the five year period 1983 to 1987, which works out to about \$400 millions a year. There should be no difficulty about accommodating India's needs if ADB, as an international banking institution, could live up to the member-countries' expectation that it should steadily build up its capital resources which would strengthen its own capacity to raise resources from the international capital markets.

If the Bank's proposals for a third general capital increase of 125 per cent during the five year period 1983-87 (to which India will also be making a proportionate



contribution), should materialise there is no reason why India's entry as a borrower should cut into the availability of ADB's funds to the other poorer countries in the region.

#### U.S. Resistance

India's decision to borrow from ADB does not, therefore, pose any threat of depletion of the resources of the Bank. The threat in fact comes from elsewhere. The Bank's proposal for a third general capital increase of 125 per cent which is fully backed by India is running into rough weather largely because of the resistance from the U.S. administration. The ADB's proposal for a 125 per cent increase in the subscribed capital provides that 10 per cent of this should be paid in.

The U.S. (which is a major subscriber to the capital stock), on the other hand, would like to peg down the increase to 100 per cent and that the paid-up capital should initially be zero. The U.S. would also like to impose a further disability on the ADB's borrowing in the international capital markets by stipulating that more than 75 per cent of this callable capital offered as collateral to the markets, should be in convertible currencies. The implication of this would be that the cost of the loans for the borrowing countries hoping to benefit from the increase in the capital stock would go up.

The U.S. seems to be bent upon making matters difficult for ADB to augment its capital resources. It would like ADB to "reappraise" the various aspects of its financial policies before considering the capital increase. Mr. Mukherjee, in his address to the ADB annual general meeting in Manila, took strong exception to this and said that while he would appreciate the value of such a review it should not hold up the proposals for capital increase.

If as a result of U.S. obstructionism, the third general capital increase during 1983-87 gets scaled down, India may have to moderate appropriately its present proposal to draw \$2,000 millions over the five-year period.

The prospects for countries which are now beneficiaries of the concessional finance from ADB are none too bright either. It appears that the efforts of ADB to hit a target of \$4.1 billions for the ADF IV replenishment for the four-year period 1983-86, may not succeed and it should count itself lucky if the replenishments add up to \$3 billions. This will also be possible only if other donors like the U.K., Japan, France and West Germany, "delink" their contributions from that of the U.S. and ignore all considerations for maintaining a "proportionality" with the U.S. share.

The sluggishness in the growth of the capital resources of ADB had left its authorised capital at \$8,404 millions at the end of 1981 while the subscribed capital stood at \$8,297 millions. The maximum number of loans sanctioned by the Bank in one year did not exceed 31 in 1978 during the five years ending 1981 and the total number of loans sanctioned was 143. The total amount of loans sanctioned was \$4,333.20 millions.

The amounts of loans increased from \$614.6 millions in 1977 to \$778.2 millions in 1978. \$835.2 millions in 1979. \$958.5 millions in 1980 and \$1,146.7 millions in 1981.

The actual disbursements did not exceed \$1,876 millions. The concessional loans sanctioned from ADF amounted to \$2,076.7 millions while the actual disbursements were \$675.2 millions. ADB has given approval for 258 projects during this five-year period.

#### Orders for Equipment

A matter of considerable interest to India relates to the prospects of a fall-out from ADB-aided projects by way of orders for equipment. Out of a cumulative total value of \$4,503 millions worth of orders placed for equipment by countries executing ADB-assisted projects till December 31, 1981, India's share was quite respectable amounting to \$123.2 millions respectable. It ranked sixth Japan topping the list with 1,413.9 millions, U.S. \$327.3 millions, West Germany \$305.7 millions, South Korea \$259.3 millions and the U.K. \$238.2 millions. In 1981, India secured orders worth \$11.6 millions out of a total of \$656 millions.

The recession in Europe and the U.S. is expected to lead to a stiffer competition from the West European, U.S. and Japanese equipment suppliers for participation in the ADB-financed projects. India will, therefore, need to put in greater effort to see that it is not elbowed out by a fiercer competition.

CSO: 4220/7311



## CONCERN OVER SLIPPAGE IN STEEL PLAN FULFILLMENT

Madras THE HINDU in English 13 May 82 p 6

[Text]

NEW DELHI, May 12.

The Planning Commission has expressed concern over the slippages in the Sixth Five-Year Plan schemes for the steel sector.

It has drawn the attention of the Ministry of Steel and Mines to the retarding effect such slippages will have on the vital sectors of the economy, particularly engineering industries, and the implementation of Sixth Plan development programmes. It has specifically mentioned the delays in the expansion programmes of the Bokaro steel plant in respect of which the time overrun has exceeded five years. Similarly in the case of the Visakhapatnam steel plant, the project has already suffered a slippage of one year.

Even the dates fixed at the time of the finalisation of the Annual Plan for 1981-82 for the different projects in the steel sector have suffered a slippage of three to nine months. The cost overruns have resulted principally on account of slippages in the construction schedules resulting from shortage of construction materials and failure of the construction agencies as well as equipment suppliers to adhere to agreed delivery schedules, the Commission says.

**Resources inadequate:** The Commission, which has just completed an overall review of the performance of the Plan programmes, has impressed on the Steel Ministry that it should carry out a more accurate assessment of the capabilities of the construction agencies and equipment suppliers and take urgent action to remedy the deficiencies in their capabilities. It has pointed out that the resources of these agencies are at times inadequate to undertake works having a short duration time

3. The Commission has also pointed out

to the Ministries concerned that the performance of the engineering units both in the public and private sectors which are major suppliers of equipment to the steel plants should be monitored closely to ensure that they adhere to agreed delivery schedules.

In the case of the Visakhapatnam steel plant, which the Planning Commission has specifically mentioned, revised estimates show that the total cost of the plant has already gone up from Rs. 2,256 crores estimated in June 1979 to Rs. 3,098.98 crores. The cost escalation has been brought about by the change in the volume of work, additional facilities and increases in the prices of machinery and equipment.

**Project report:** While sanctioning the cost of Rs. 2,256 crores estimated in June 1979, the Government had stipulated that detailed and firmed up project cost estimates supported by a comprehensive revised detailed project report (CRDPR) incorporating modern technologies and finally determined product mix would be prepared.

According to the CRDPR, the revised estimated cost of the project is Rs. 2,935.41 crores and with the margin money and interest during construction the revised cost adds up to Rs. 3,098.98 crores.

Under the agreement of June 1979 signed between the Governments of India and the Soviet Union, the Soviet Union would make available credit of 250 million roubles (Rs. 300 crores) for the Virag steel project. The Government of India has not yet made a formal request for more credit for this project. However, indications are that the Soviet Union will consider favourably a request for a further credit of 250 million roubles for the completion of the project.

## HEAVY INDUSTRY DEPARTMENT TARGET RAISED

Madras THE HINDU in English 14 May 82 p 6

[Text] NEW DELHI, May 13--A 25 per cent growth with a production target of Rs. 1,974 crores has been fixed for 1982-83 for the public sector undertakings under the administrative control of the Department of Heavy Industry.

Such an ambitious target has been decided upon in view of the all-round improvement in the performance of these undertakings during the year ending March 31.

According to tentative estimates, the total value of production of the 17 manufacturing units under the Heavy Industry Department in 1981-82 was Rs. 1,558 crores.

The 1981-82 output is about 20 per cent higher than the achievement in 1980-81, when the aggregate value of production was Rs. 1,302 crores.

In addition, Engineering Projects (India) Limited, a consultancy-cum-contracting organisation under the Department, is estimated to have achieved a turnover of Rs. 195 crores which is 18 per cent higher than the turnover of Rs. 165 crores achieved by it in 1980-81.

As a result of the higher level of production, especially from October 1980, there has been a remarkable change in the financial performance of the public undertakings.

Less losses: The aggregate losses incurred by the undertakings under the Heavy Industry Department are estimated to have come down to Rs. 31.93 crores at the end of 1981-82 from Rs. 61.56 crores a year earlier.

While in 1980-81 the number of companies in the red was 13, in 1981-82 the number of loss incurring undertakings rose to 14.

It is expected that in 1982-83 the undertakings will yield an aggregate profit of Rs. 24.27 crores, and the number of profit earning companies will increase to six.

While the likely profit of these six companies is estimated at Rs. 98.25 crores, the loss of Rs. 73.98 crores anticipated by the other 12 will bring the overall profit down to Rs. 24.27 crores.

These undertakings have successfully halted the downtrend in exports which had plunged to Rs. 229 crores in 1979-80 from Rs. 240 crores in 1978-79.

Rise in export earnings: Their export earnings in 1980-81 rose to Rs. 265 crores, 16 per cent more than in the previous year. In the nine months from April to December 1981, the export earnings were estimated at Rs. 207 crores.

A comprehensive revised integrated management information system has been introduced to monitor more effectively their performance.

CSO: 4220/7311

FINANCE MINISTRY PLANS BANKING DEPARTMENT

Madras THE HINDU in English 14 May 82 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, May 13--It is proposed to re-establish a Banking Department in the Ministry of Finance with a full-fledged Secretary to regulate the functioning of the nationalised banks and provide the necessary liaison with the Reserve Bank in regard to the regulation of the credit policies of the Government.

A separate Banking Department under Mr. Pranab Mukherjee existed during the Emergency, when Mr. C. Subramaniam was in charge of the Ministry of Finance. It was subsequently merged with the Economic Affairs Department during the Janata rule.

But now that he is Finance Minister, Mr. Mukherjee wants to re-establish the Banking Department directly under his charge. The Prime Minister, Mrs. Indira Gandhi, has approved the proposal and the Government is now looking for a senior official to head it.

The present Secretary of the Department of Economic Affairs, Mr. R. N. Malhotra, has been offered the post of Executive Director of the IMF in place of Mr. M. Narasimham who is due to return towards the end of July to take up his new assignment as Finance Secretary to the Government.

There will be a further change in the Finance Ministry following the retirement of Mr. G. C. Baweja, Secretary of the Department of Expenditure. The Government is also looking for a senior officer with good economic background to take the place of Dr. Manmohan Singh as Secretary of the Planning Commission, when he is appointed Governor of the Reserve Bank following Dr. L. I. Patel's retirement.

These changes will lead to the promotion of at least four senior officers to the rank of Secretaries to the Government. The queue will move forward quite rapidly next year when several Secretaries retire from service.

The policy of setting aside political considerations and promoting deserving officers has certainly paid in the sense that there is a better team spirit among senior officials at the Centre. It is more noticeable in the field of economic administration where various Secretaries have been functioning in perfect harmony with no divided loyalties or inter-ministerial wrangles.

## INDIA TAKES SECOND PLACE IN COFFEE PRODUCTIVITY

Madras THE HINDU in English 18 May 82 p 11

[Text]

BANGALORE, May 17.

With the coffee production of 1.60 lakh tonnes during 1981-82, India has come to occupy the second position in productivity-rating among the coffee-producing nations from the previous fifth position.

Announcing this at a Press conference, Mr. M. Venkataratnam, Chairman of the Coffee Board, said that the average growth rate of 15 per cent had exceeded the targeted average annual growth rate of 5.5 per cent envisaged in the Sixth Plan. The productivity per hectare in terms of bearing area of coffee had increased from 609 kg per hectare during 1975-76 to 888 kg during 1979-80.

Coffee exports had touched a record level of 89,018 tonnes in 1980-81. The value was Rs. 215 crores.

The unit value of exports had also recorded an increase of Rs. 24,152 per tonne during 1980-81. The internal consumption had increased to 50,000 tonnes in 1980 from a level of over 36,000 tonnes in 1975. Internally, stable and fair prices were maintained by retaining one-third of crop grown for internal consumption.

**Small growers' contribution:** Mr. Venkataratnam, who is to be succeeded by Mr. Narasimha Rau, the former State Chief Secretary, as the Chairman of the Board, claimed a spectacular increase in production and productivity on the part of the small growers, which had touched 91,507 tonnes during 1979-80, from 42,000 tonnes, an increase of 118 per cent. The small growers had doubled their production from 42,000 tonnes during

1975-76 and productivity also had increased from 525 kg per hectare during 1975-76 to 904.78 kg during 1979-80. The per point payment to growers had gone up to around Rs. 10 as against Rs. 5.5 six years ago.

**Credit flow increases:** Mr. Venkataratnam claimed that there had been increased credit flow from the Board to the small growers as procedures had been streamlined. The Regional Field Officers of the extension wing had been given powers to deal with loan applications. The total credit flow through direct loans by the Board and through financial institutions under the Board's interest subsidy scheme, which was about Rs. 2.14 crores during 1974-76, had increased to Rs. 12.12 crores.

One of the R and D achievements had been planting over 80 per cent of the coffee area of new high yielding strains evolved by the Central Coffee Research Institute and it was hoped that the yield would touch a tonne a hectare. It was planned to extend coffee under 17,543 hectares in Andhra Pradesh, Orissa, Assam, Nagaland, Arunachal Pradesh and Manipur.

**Expansion plans:** It had been proposed to take up new schemes in the fields of surveying areas for coffee expansion, building up manpower for cultivation, biological control of pests and diseases, creating processing facilities, strengthening quality measures and increasing curing and storage facilities. It had set up an analytical laboratory and plans to open the board's offices abroad. The Government had cleared many of these schemes, Mr. Venkataratnam said.

CSO: 4220/7313

## DELHI REVIEWING POLICY ON CONTRACTS TO FOREIGNERS

Calcutta THE STATESMAN in English 19 May 82 p 9

[Text] NEW DELHI, May 18--A reappraisal of the policy of awarding turnkey contracts to foreign companies for major development projects is being made by the Government following the revocation of the letter of intent to Davy McKee for the Rs 3,000-crore steel plant in Orissa last week.

This follows representations made by several Indian public and private sector companies which feel they have already demonstrated their capability of being the prime contractor for such projects both in India and abroad.

These companies include Bharat Meavy Electricals, Mecon and Hindusthan Machine Tools which have a number of turnkey contracts in hand in many countries but have been deprived of the work of handling similar jobs in India because the contracts have been awarded to foreign firms.

In the past two years, a number of such contracts have been won by foreign firms mainly because of the attractive financing packages they have been able to offer with the help of grants from their Governments, commercial loans and export credits so that the overall interest rate is around 7%.

This has helped tide over not only the problem of foreign exchange shortages but also the lack of internal resources. Most of the projects given to foreign firms do not find mention in the Sixth Plan and the original argument in their favour was they would not otherwise have been executed at all.

In the case of Davy McKee, for instance, a financing package worth over \$2.8 billion had been arranged. This consisted of \$350 million as British Government grants, export credits of \$1.52 billion, Eurocurrency loans of \$500 million and French soft loans of \$190 million. It has been made known that the grants, export credits and Eurocurrency loans will still be available to the extent that British equipment is ordered for the Orissa plant which is now to be handled by the Government itself.

The fiasco over the steel plant has given rise to the feeling that there is no need to award turnkey contracts to foreign firms since they would still be willing to provide financing packages with the help of their Governments for the equipment that they supply, even though the interest charges will be now somewhat higher.

If the argument that Indian public and private sector firms should be used as prime contractors is accepted, there will be a radical change in policy since it will mean that the maximum use of Indian equipment will be made and the rest handed out to foreign firms which will be competing against each other. This will also help to make the maximum use of the large unutilized capacity in many plants in the country.

Since the Government has already relaxed the policy on import of technology, this will enable the Indian prime contractor to use the latest systems available in a combination that is most suitable to the country.

Among the turnkey contracts given to foreign companies in the last two years are the alumina plant in Orissa, the electronic telecommunications factory in Karnataka and the steel plant in Orissa (now revoked). Many more in various sectors are being considered.

CSO: 4220/7315



## MINISTER TELLS 'PATRIOT' OF PROGRESS IN AGRICULTURE

New Delhi PATRIOT in English 19 May 82 Supplement p 1

[Text]

**I**N spite of adverse weather conditions in several parts of the country, both during the kharif and rabi seasons, the country is poised for a record harvest of foodgrains during 1981-82. It is estimated to touch the level of 134 million tonnes, two million tonnes more than the previous peak of 132 million tonnes. This compares with 129.9 million tonnes in 1980-81 and 109.7 million tonnes in 1979-80.

Kharif foodgrains production is expected to be an all-time record of 79.9 million tonnes, which will be 1.8 million tonnes higher than the previous record of 78.1 million tonnes during 1978-79. Rice production is expected to move up to a new high of about 54.4 million tonnes and wheat to 37.5 million tonnes. The production of pulses which had dipped to a precarious 8.6 million tonnes in 1979-80 and recovered to 11.2 million tonnes in 1980-81 would further rise to 12 million tonnes in the current year.

Similarly, sugarcane production is expected to be about 170 to 180 million tonnes against 150 million tonnes last year and the bumper crop has already taken the country out of the triennium of shortages and high prices of sugar and allied products. Oil seeds production is also much better than in past two years. As against the production of 89 lakh tonnes in 1979-80 and 94 lakh tonnes in 1980-81, the anticipated output in 1981-82 for cultivated oilseeds is about 112 lakh tonnes.

Rao Birendra Singh, Union Minister for Agriculture, Co-operation and Rural Development, talking to PATRIOT, asserted that all this has been possible due to the intensive attention being paid to the deve-

lopment of agriculture over the last two years. Higher outlays have been provided in successive years for agricultural development programmes, both in the Central and State sectors—Rs 741 crores in 1980-81, Rs 945 crores in 1981-82 and Rs 1143 crores in 1982-83.

Looking to the considerable amount of foreign exchange spent on edible oils imports the Government has given special attention to the development of oil seed production. Oil seeds and pulses are also covered in the new 20-point programme. Outlays under the Centrally-sponsored programmes for oilseeds and pulses have been stepped up to Rs 65 crores and Rs 17 crores respectively under the sixth Plan as compared to Rs 14 crores and Rs 12 crores respectively during the fifth Plan (1974-79).

The Centrally-sponsored programmes, which have been in operation for the past few years, have started showing results. Oilseeds production during 1981-82 is expected to be 112 lakh tonnes as against 94 lakh tonnes in 1980-81 and the target for 1982-83 is 120 lakh tonnes. Similarly, pulses production during 1981-82 is estimated to be 125 lakh tonnes as against 112 lakh tonnes in the previous year and the target for 1982-83 is 135 lakh tonnes.

As part of the extension services, over 63,000 minikits of pulses and 72,300 minikits of oilseeds were distributed to farmers during 1981-82 to popularise new varieties among the farmers. The special groundnut project in the Saurashtra region of Gujarat (Rs 35 crores for 1980-84) is being intensified. Emphasis is on producing irrigated groundnut during summer which gives a yield of 1400 kg per hectare as



against 700 kg of kharif groundnut. Production of summer groundnut has doubled during the last five years from 6.6 lakh tonnes to 13 lakh tonnes in 1980-81.

Regarding the use of fertilisers, Mr Rao Birendra Singh said, despite the price hike, fertiliser consumption has been going up. During 1981-82, at 61.3 lakh tonnes, it showed a growth rate of 11 per cent as compared to 4.9 per cent during 1980-81 and 2.7 per cent during 1979-80. A massive fertiliser promotion campaign is being mounted in 100 identified districts which have a high potential but low consumption of fertiliser at present.

A notable development is the phenomenal increase in the domestic production of fertilisers from 30 lakh tonnes (nutrients) during 1980-81 to 41 lakh during 1981-82, resulting in a significant reduction in imports and saving of foreign exchange.

Stressing the role of cooperatives in promotion of agriculture, he said that these had expanded and diversified in the recent years. The total agricultural credit provided by the cooperatives had increased from Rs 214 crores in 1980-81 to over Rs 2000 crores in 1980-81.

During the same period, the value of agricultural produce marketed by the cooperatives increased from Rs 169 crores to Rs 1260 crores. Through over 50000 retail outlets, cooperatives distribute nearly 45 per cent of the total fertilisers in the country. They have emerged as a major sector in the sugar industry accounting for 55 per cent of the national production of sugar. Cooperatives also play a significant role in the dairy

development programme under the "Operation Flood".

The Indian Farmers Fertiliser Cooperative Ltd accounts for 11 per cent of the indigenous nitrogenous fertiliser production and 23 per cent of the phosphatic fertiliser production. Its capacity utilisation has been exceeding 100 per cent.

During 1980-81, credit dispensation through cooperatives and commercial banks including regional rural banks was of the order of Rs 3377 crores which is expected to rise to Rs 3800 crores in 1981-82. For 1984-85, the target is to reach a level of Rs 5415 crores. Fifty per cent of this is expected to flow to the weaker sections to whom the Government is paying special attention.

About the buffer stocking policy, the Agriculture Minister said, subject to constraints of storage capacity and movement, stocks of foodgrains were kept in storage at various centres in the country for meeting the requirements of the public distribution system and any emergent needs. This position was under constant review in consultation with various concerned agencies including the State Governments.

The buffer stock position has improved considerably. As on 1 March 1982 it was 11.33 million tonnes as against 10.96 million tonnes on the same day in the previous year. Procurement this year has been better than during the last year. The procurement of rice till 31 March, 1982, has been 6.3 million tonnes which is a record procurement, the earlier highest being 5.3 million tonnes during the same period in 1978-79.

## BRIEFS

NEW NAGA CHIEF--KOHIMA, May 18--"Major-General" Povezo has become the "Chief of the Army Staff" of the pro-Phizo faction of the underground Nagas, now camping in northern Burma, according to a report received here from across the border, reports UNI. Fortysix-year-old Povezo of Phek village, who joined the underground movement in the fifties before finishing his matriculation was reported to have sneaked into Burma from Nagaland. After he had joined the pro-Phizo faction, another group of about 15 young men from the Chakhesang tribe (Povezo also belongs to the same tribe) managed to enter northern Burma and joined him, the report said. [Calcutta THE STATESMAN in English 19 May 82 p 9]

HONOR TO GANDHI--NEW DELHI, May 18--The highest Dutch decoration of 'Commander of the Order of the Golden Ark' was conferred here today on the Prime Minister, Mrs. Indira Gandhi, for her outstanding work in environmental conservation. Prince Bernhard of the Netherlands, who specially flew in here, presented the award to Mrs. Gandhi at a colourful ceremony at the residence of the Ambassador of the Netherlands. The Order was established in 1971 by the Prince to honour those who have done outstanding work in conservation of flora and fauna. The Order has three grades, the highest being the Commander followed by the Knight and the Officer. Others who have been decorated with the Order include Dr. Julius Nyerere and Prince Philip. [Madras THE HINDU in English 19 May 82 p 9]

ZAIL SINGH VISIT CANCELLED--Union Home Minister Zail Singh has cancelled his scheduled visit to Great Britain and USA it is learnt, says PTI. The Home Minister was scheduled to leave Delhi on 26 May on a fortnight's visit to these countries on the invitation of the Indian community in UK and Indo-US Chamber of Commerce. He cancelled his trip on medical advice. Mr Zail Singh is at present convalescing at the All India Institute of Medical Sciences where he was admitted on 10 May after being suddenly taken ill during electioneering in Nangal area in Punjab. [New Delhi PATRIOT in English 20 May 82 p 10]

CSO: 4220/7321

## MILITARY OPERATIONS AGAINST FRETILIN DEFEATED

Luanda JORNAL DE ANGOLA in Portuguese 7 May 82 p 9

[Text] The two most recent offensives against the FRETILIN [Revolutionary Front for East Timor Independence] guerrillas resulted in two defeats for the Indonesian forces. The military confrontations involved the participation of close to 8,000 counter guerrilla specialists which raised the Indonesian presence on East Timor to close to 45,000 troops.

Once again the "maquisards" [guerrillas] decided to evacuate the areas in dispute, fleeing direct battle against the large concentrations of enemy fire.

Indonesian press reported the presence of observers from the two military blocs, ANZUS and ASEAN (ANZUS is a military organization of Australia, New Zealand and the United States, countries members of the ASEAN (Indonesia, Philippines, Malaysia, Thailand and Singapore) are also united by a military treaty) during the two operations of siege and annihilation, defined by Djakarta government circles as "mop up operations."

The largest operation, called "Operasi Keamnan," which means pacification operation, began in September of last year and concluded in 1982 without having succeeded in eliminating guerrilla activity.

This time, the Indonesian command decided to "Timorize" the war by calling up into the army all the Mauberes (natives of East Timor) ranging in age from 15 to 50. This forced mobilization was a complete failure.

It is felt in Djakarta that General Radjagugak, specially appointed to command the second operation, ruined his reputation in the armed forces.

Observers have noted the unexpected appearance in Djakarta newspapers of somewhat alarmist reports about the military situation in East Timor, which put in doubt his ability to destroy FRETILIN guerrillas.

As usual, the Indonesian forces used in both operations weapons banned by the Geneva Convention, using napalm and white phosphorus in areas suspected of harboring FRETILIN supporters.

The press also pointed out that officials of the International Red Cross have received orders to leave the territory ahead of time so that no foreign observer could witness the progress of the battles.

The blockade established by the Indonesian military did not succeed in preventing the dissemination of reports abroad because the Djakarta press itself reported this fact to its readers.

On the other hand, the transfer of more marines and counter guerrilla forces to East Timor became, for the same press, evidence that the guerrillas continue operating.

The newspapers made reference to "innumerable sacrifices," of Indonesian soldiers to make "peace a reality." A logical interpretation of this kind of "codified" language leads to the conclusion that the army suffered casualties during the latest battles.

#### Indonesian Objective Reduced to Zero

A spokesman for the command stationed in Dili, capital of East Timor, explained that the objective of the two operations was to eliminate resistance centers and push FRETILIN supporters toward the areas controlled by the Indonesians.

The scattering of FRETILIN guerrillas and their distribution in small detachments of up to 10 armed men reduced to zero the first enemy objective. Also the fact that the rainy season came early prevented the advance of motorized vehicles used by the Indonesians and the bad weather also prevented their planes from flying.

The East Timor war entered its seventh year and judging by the intensity of the resistance of East Timor population, the Indonesian forces continue to be limited to periodic "mop up operations," which look like mere exercises with real fire power.

11634

CSO: 4742/308-A

## ISSUES AFFECTING NATIONAL STABILITY DISCUSSED

Jakarta KOMPAS in Indonesian 10 Mar 82 p 12

[Article: "Five Central Themes That Are Always Exploited by Subversive Elements--KOPKAMTIB Commander: Islamic Scholars Council Should Not Forget to Use Hot Line"]

[Text] There are five central issues that are always exploited by subversive elements and other extremist groups to upset national stability.

These five issues are as follows: President Soeharto emphasizes material over spiritual development; in Indonesia, there is no freedom to develop religion; there is an effort under way to discredit and force Islam into a corner; there is an effort under way to substitute the state ideology, Pancasila, for religion; lastly, there is an effort under way to christianize the country.

This was the statement made by the KOPKAMTIB (Operational Command for Restoration of Security and Order) Commander, Admiral Sudomo, at a working meeting of the Indonesian Islamic Scholars (MUI) at the Conference Hall last Tuesday.

Sudomo also mentioned five challenges to national stability: subversion with the purpose of toppling or altering the government and constitution; the natural process of change in a country; social integration and conflict of interests; lack of law and order; and natural catastrophes.

The subversive challenge, said Sudomo, was preceded first by an effort at infiltration. This was followed by the development of revolutionary conditions and then by the outbreak of the revolution itself. The objective of these three levels of subversion is to destabilize the government.

This destabilization is achieved by creating an unstable or explosive situation by means of political infighting, psychological warfare and extralegal measures, for example, an uprising, guerrilla war, terrorism, direct armed action, etc.

Concerning the process of change and future shock, Sudomo quoted the American writer Alvin Toffler (author of "Future Shock"). Toffler is the famous author who defined future shock as a condition, effect or phenomenon of

time, as a result of which there is an imbalance between the pace of change and the ability of mankind to adjust to it.

Concerning social interaction and the conflict of interests, Sudomo mentioned two things. He discussed first, the use of force as a pressure tactic to protest a problem or intolerable situation or to compel a fulfillment of demands. Second, he enumerated demonstrations, strikes, boycotts, unrest, arson, etc. as measures to achieve any one of these foregoing objectives.

Concerning the law and order situation, Sudomo previously had mentioned two causative factors. He said it was the result of the "survival" and opportunism factors at work.

As for natural disasters, Sudomo said they would not be overcome in the near future and would indeed create some restlessness.

The KOPKAMTIB commander declared that with respect to the forthcoming elections, MUI should remain vigilant lest competition among the candidate lead to conflict or lest the situation after the election be taken advantage of, in an attempt to destabilize the government.

Sudomo expressed the hope that MUI's national vigilance would grow as it met various challenges and would not let itself be incited to injudicious actions or consumed obsessively by issues or activist politics.

In addition to this, he said, MUI should interpret religion with a single voice, so that any false interpretation which tolerates the breaking of laws or the depreciation of religious faith, as in the Imran case, would not gain any ground.

The KOPKAMTIB commander requested MUI not to forget to use the "hot line" installed between the Islamic Council and local security authorities so that contentious issues could be resolved by consultation before they become troublesome.

Finally, at the end of the program, Sudomo made a symbolic presentation of copies of the book "Religion and National Development" to the chairman of the MUI session for subsequent distribution to the 500 participants from all parts of Indonesia.

9464

CSO: 4213/47



POPULATION, FAMILY PLANNING DISCUSSED

Jakarta SINAR HARAPAN in Indonesian 10 Mar 82 p 2

[Article: "In 30 Years--Population of Indonesia Increases 4.6 Percent Annually"]

[Excerpta] The population problem is a serious matter if we consider what will happen in our country if we make no effort to curb its birth rate. In 30 years, the population which presently is increasing is 2.3 percent annually will grow at twice the present rate. This was the statement made by Minister of Health Dr Soewardjono Soeryaningrat at the first working meeting of Dharma Pertiwi in Bandung, Wednesday morning.

If during the 1980 census, the population of Indonesia was 147 million, we cannot postulate that it has remained static since that time. In fact, the population of our country already amounts to 150 million and in the foreseeable future it will climb to a total of 300 million.

The total of new birth control adherents ("contraceptors") is increasing from year to year and already amounts to a substantial number, according to the health minister. For example, at the beginning of the family planning program in 1969-70, Java and Bali reported around 53,000 new contraceptors. In subsequent years, this number rose to 181,000 indicating a phenomenal increase in the acceptance of family planning.

At the end of the first Five Year Plan in 1973-74, the number of new contraceptors reached 1.3 million, or 25 times the number obtained during the first year of the program.

The target number of new contraceptors, which was placed at 3,025,000 for Java and Bali in the first Five Year Plan, already has climbed to 3,201,458, thereby achieving 105.8 percent of its goal. Later at the beginning of the second Five Year Plan, the program christened Beyond Java-Bali I was extended to ten provinces outside of these two major islands, to encompass a total of 16 provinces in all of Indonesia.

Each year, during the second Five Year Plan the number of new contraceptors compared to the plan target always exceeded 100 percent. Considering plan targets for the 16 provinces as a whole, in both the Java-Bali and Beyond

Java-Bali I programs, it was noted that there were 10,236,618 new contraceptors comprising 113.7 percent of the total plan goal.

Since the start of the third Five Year Plan in 1979-80, the program was extended again, this time an additional 11 provinces, raising to 27 the total number of Indonesian provinces encompassed by the program. During the first year of this Five Year Plan, 2,229,171 new contraceptors were reported, or 95.25 percent of the plan's target of 2,018,109.

During 1980-81, there were 3,051,244 new contraceptors reported, or 113.9 percent of the plan's target of 2,677,918. Up to December 1981, the cumulative total for all Indonesia amounted to 2,163,433 new contraceptors or 107.2 percent of the target figure of 2,018,109 for 1981-82.

At the beginning of the 1969-70 period, the first choice of birth control method was the IUD (intra-uterine device) (54.7 percent); the second choice was oral contraceptive pills (27.5 percent) and finally the prophylactic condom (17.8 percent). Later the first choice shifted towards oral contraceptives. In 1980-81, new contraceptors choosing the pill comprised the largest number (69.51 percent), followed in turn by those selecting the IUD (16.28 percent), condoms (8.66 percent), injections (3.67 percent) and other methods, such as vasectomies for males and tubal ligations for females (1.71 percent). The small remaining number elected vaginal suppositories or tablets only (.16 percent).

The shift from the IUD to oral contraceptives is indicative of an encouraging phenomenon for the program, that is, the trend away from contraceptives that are less effective. For example, use of condoms declined from 17.8 percent in 1969-70 to 8.66 percent in 1980-81 and vaginal suppositories declined from 1.7 percent in 1971-72 to .16 percent in 1980-81. On the other hand, the use of more effective methods such as injections or surgical procedures has risen. Injections in 1974-75 were the choice of only .3 percent of new contraceptors. However, in 1980-81 they were the choice of 3.67 percent. A similar increase was noted in surgical procedures. In 1974-75, this method was selected only by .6 percent of new contraceptors. In 1980-81, this had risen to 1.71 percent.

Since the use of the IUD was given encouragement, the proportion of new contraceptors electing this method has risen gradually. In 1974-75, the percentage of new contraceptors electing the IUD method bottomed out at only 11.7 percent. The following year it rose to 12.8 percent and in 1980-81 it rose again to 16.28 percent.

The family planning program also has disclosed a declining trend in the number of live births recorded.

In Java-Bali in 1972, the average age of new contraceptors was 29.5 years. In 1980-81, it declined to 25.74 years.

In areas other than Java-Bali, in 1974-75 the median age of contraceptors was 30.18 years. This declined to 26.46 years in 1980-81. In addition, there was a steady decline in the average and median of total live births to new contraceptors.



In Java-Bali in 1971-72, the median number of live births was 3.8 per thousand. In 1980-81, it dropped to 2.3. Outside of Java-Bali, the number which in 1974-75 was 4.2 per thousand dropped to 3.2 in 1980-81.

Viewed from the occupational field of the spouse, 60 percent of the new contraceptors in Java-Bali and 40 percent elsewhere were of rural peasant origin. Viewed from the educational level of the participants of both Java-Bali and elsewhere, the majority of new contraceptors each year were not well-educated with most of them being primary school graduates or less.

From the picture given above, said the health minister, taken as a whole, new contraceptors on the average are youthful, of peasant origin, are not particularly well-educated and have few living children. This means they share the same characteristics as a large part of the Indonesian population as a whole.

9464

CSO: 4213/47

## INDONESIA

### SUBROTO RETURNS FROM QUITO OPEC MEETING

BK281015 Jakarta ANTARA in English 0932 GMT 28 May 82

[Text] Jakarta, 28 May (ANTARA)--Indonesian Mines and Energy Minister Subroto returned from Quito, Ecuador, Thursday [27 May] afternoon satisfied that the 64th organization of oil exporting countries (OPEC) conference in the Latin American city had suggested better prospects for the OPEC oil price and demand for OPEC oil in the third and fourth quarters of 1982.

The conference's conclusions also would have a favourable effect on the Indonesian oil situation although Indonesian oil industry authorities themselves had already foreseen improved prospects for Indonesian oil in the third quarter of this year, Subroto said.

At least the oil situation during the third and fourth quarters of this year is not expected to deteriorate, he told ANTARA after arrival at Halim Perdanakusumah International Airport.

Venezuelan Oil Minister Humberto Calderon Berti who was also at the Quito meeting had estimated that demand for OPEC oil during the third quarter of this year would be between 18.5 and 19.5 million barrels a day.

Subroto's own projection was that demand during the fourth quarter of the year would be in the region of 20 to 23 million barrels a day.

A four-member ministerial team which OPEC has assigned to follow oil price and oil demand developments on the market closely, had also reported to the Quito meeting that there had been steady progress in the OPEC oil price on the spot market.

The Quito meeting had requested the team to continue its monitoring work. The Quito meeting had further decided to maintain the OPEC reference price at U.S. \$34 a barrel and its member countries combined production level at 17.5 million barrels a day.

It also decided to hold the next ordinary meeting of the OPEC conference in Lagos, Nigeria on 9 December 1982.

CSO: 4220/48

OIL CONTRACT WITH PHILIPPINES SIGNED

Jakarta SINAR HARAPAN in Indonesian 6 Mar 82 p 11

[Article: "Contract Signed Between Indonesia and the Philippines for the Sale and Purchase of Oil"]

[Text] Pertamina and the National Oil Company of the Philippines (PNOC) in Jakarta on Friday signed contracts relating to the sale, purchase and processing of crude oil. This latest contract is the sequel to a number of earlier agreements with which it is closely tied.

The signers of the contracts were the Director General of Pertamina, Drs. Joedo Sumbono, and the Filipino Minister of Energy, Geronimo L. Velasco, who also is the chief executive officer of the PNOC.

According to the terms of the first contract, Indonesia will sell to the Philippines the following quantities of petroleum: 11,700 barrels a day from the Walio oilfield, 9,000 barrels from the Handil field and 500 barrels a day from the Salawati field.

Crude from Walio sells at \$35 a barrel fob from the Kasim terminal. Crude from Handil sells at \$35.50 a barrel fob from the Senipah terminal. Crude from Salawati sells for \$34.90 a barrel.

According to the terms of the second contract, the one relating to the processing of crude, Pertamina will undertake to refine petroleum amounting to 8,000 barrels a day from the Attaka field and 8,000 barrels a day from the Walio field at the Filipino refinery at Batan.

The oil products processed at the Filipino refinery later will be returned to Indonesia to fill domestic needs. Pertamina leaders previously announced that refining of crude in the Philippines would only be a temporary measure until the expansion of several Indonesian refineries is completed.

According to Pertamina officials, the reason why domestic crude is refined in a neighboring country is that the capacity of local refineries is still limited.

The quantity of crude oil to be refined in the Philippines in the future may be increased to 30,000 barrels a day.

PNOC officials declared on the occasion of the signing of the contract that it was a proof of the spirit of cooperation that existed between the two ASEAN countries.

Government officials also enumerated other cooperative measures extended by Indonesia to the Philippines. This includes the professional help of geologists, seismic surveys and other activities bearing on the exploration for, and production of, oil.

The officials expressed the hope that this cooperation could be extended to the geothermal field. According to a source of this newspaper, the development of geothermal resources as an energy source has been under way in the Philippines for several years, slightly ahead of Indonesia.

An earlier contract to sell oil to the Philippines has been in effect since 1 March 1977 and amounts to 25,000 barrels a day from the Walio field.

9464

CSO: 4213/47

## VALUE OF CRUDE OIL EXPORTS DROPS IN 1ST QUARTER

BK271041 Jakarta ANTARA in English 1017 GMT 27 May 82

[Text] Jakarta, 27 May (ANTARA)--Indonesia's exports of crude oil dropped in value by about 27 percent in the first quarter of this year compared with those in the same period last year, according to data recorded by Bank Indonesia.

Indonesia's crude export stood at U.S. \$2.731 billion in the first quarter of 1982, declining by U.S. \$1.021 billion or 27.2 percent as against U.S. \$3.752 billion in the same period last year.

Of the export value recorded in the first 3 months of this year, U.S. \$1.337 billion was derived from the export of crude belonging to the Pertamina state-run oil company, U.S. \$1.144 billion was produced by crude oil belonging to foreign contractors, and U.S. \$250 million from oil produced based on the production sharing contracts.

The exports of liquefied natural gas (LNG) from Indonesia rose by 13 percent in the first quarter of this year compared with those in the same period last year.

The value of LNG exports was recorded at U.S. \$673.669 million in the first 3 months of 1982, up by U.S. \$75.184 million or 13 percent as against U.S. \$598.485 million in the first quarter of 1981.

Of the value of LNG exports in the first quarter of 1982, U.S. \$342.601 million was from the Badak LNG refinery and U.S. \$331.068 million from the Arun LNG refinery.

The value of crude oil and LNG exports from Indonesia from January 1981 to March 1982 is as listed below: (In thousand U.S. dollars):

	Crude Oil	LNG
1981 January	1,249,996	205,450
February	1,118,261	164,231
March	1,383,270	228,804
April	1,094,392	224,982
May	1,418,324	156,358

June	1,121,880	198,256
July	1,291,850	205,478
August	1,352,424	204,859
September	1,283,727	216,903
October	1,366,910	210,352
November	1,193,261	250,872
December	2,299,749	246,303
1982 January	1,240,490	243,637
February	751,224	190,720
March	739,158	239,312

CSO: 4220/48

WHITLAM VISIT TO EAST TIMOR

Jakarta KOMPAS in Indonesian 6 Mar 82 p 12

[Article: "Whitlam Expresses Regret Over Letter by Dili Bishop"]

[Text] Former Australian Prime Minister Gough Whitlam in a press conference on Friday expressed regrets over a letter written by the Bishop of Dili concerning the situation in East Timor, calling the correspondence groundless and misleading.

The letter in question was written by Mgr Martinho da Costa Lopes in Jakarta last November. It was sent to the Australian Catholic Relief Services and subsequently became a news source for the Australian press.

In his letter, Da Costa Lopes declared that East Timor was on the threshold of starvation because the local adult population had been mobilized to assist a military operation for three months against Fretilin bandit remnants.

The letter also said that a local battle had caused 500 civilian casualties.

Whitlam in his press conference verified that there had been a request from the International Red Cross (IRC) to the Australian Government for 1000 tons of corn as a buffer stock. The former Australian statesman said IRC officials had consulted with the Bishop of Dili at the time, inquiring if the 1000 tons of corn would be sufficient for reserve stocks. "The bishop himself told the IRC officials that 1000 tons would be enough," said Whitlam. The officials then informed the bishop that 500 tons were ready for shipment and that the other 500 tons would follow.

Whitlam said firmly that at present there was no evidence of starvation in East Timor and if adverse weather later caused any food shortage, it could be overcome by dipping into the buffer stock.

"The setting aside of a buffer stock is to confront any possibility of a food shortage. However, the designation of such a stock does not mean there is starvation," said Whitlam explicitly.

Concerning the "500 casualties," Whitlam and Peter Hastings of the SUNDAY MORNING HERALD interviewed the Bishop of Dili thoroughly. According to



Whitlam, the churchman could not mention a single source for his allegation. "He had never even visited the site where the incident allegedly took place," said Whitlam.

In a dialogue with a number of foreign journalists at the press conference, Whitlam indicated that there was a consistent pattern in negative reporting from East Timor, or about military and civilian Indonesian officials concerned with the territory, in that all such reports when investigated turn out to be of church origin. "Why is this," said Whitlam pensively, "I have reached the conclusion that news of this nature invariably originates with church leaders in East Timor."

In this connection, Whitlam expressed the view that such leaders (who are under the Vatican hierarchy), who were educated in the Portuguese language and who inherited Portuguese values and cultural traditions, were experiencing "an identity crisis," as usually occurs at the close of a colonial era.

"After the Portuguese Government left the scene, the only remnant left of the Portuguese presence was the church," said Whitlam, "while for the students and the parish community, the Portuguese language and traditions gradually became no longer relevant."

"Moreover, the Indonesian Government in no way is applying pressure on, or seeking to eradicate Portuguese traditions in East Timor. Even the Portuguese names of the streets have been preserved. Only the word for "street" has been changed. The rest remains the same," he added.

Whitlam and Hastings made the trip on their own initiative, and while they were in East Timor, they traveled around by helicopter.

9464

CSO: 4213/47

NO STARVATION REPORTED IN EAST TIMOR

Jakarta SINAR HARAPAN in Indonesian 5 Mar 82 pp 1, 12

[Article: "International Red Cross Observer Mission Reports--No Starvation in East Timor"]

[Excerpts] An International Red Cross mission that visited East Timor for 11 days in mid-February reported that it found no evidence of starvation in the territory.

This was the statement released by the Southeast Asia representative of the International Committee of the Red Cross, D. Delapraz, Thursday afternoon in Jakarta at a press conference with domestic and foreign journalists. Responding to the questions of reporters, Delapraz conceded that his organization had received reports from local officials in East Timor saying that in forthcoming months there was a strong possibility of food shortages because of the onset of the dry season and losses due to rodents.

"If truly there were starvation in East Timor, we would not be in this room discussing the matter with you. We would be on the scene, working earnestly with the International Red Cross to bring the situation under control," said Delapraz. He continued, saying that "We are going to keep close tabs on the food situation in East Timor through our representatives, and we stand ready to send aid at anytime if it is requested.

International Red Cross officials in Kuala Lumpur reported that its delegation which traveled to East Timor consisted of four members which visited Atauro Island, Ostico, Los Palos, Bacau and the welfare institute in Dili.

Two members of the delegation made a special trip to six villages: Luro, Iliomar, Uatulari, Dilor, Natarbora and Atabai in the western part of Timor. The entire IRC delegation consisted of: D. Delapraz, C. Neukomm (the permanent representative in Jakarta), Dr. A. Willi (from IRC headquarters in Geneva), and Ms. R. Tissieres (from IRC headquarters in Geneva), a Portuguese linguist.

During the trip to Atauro Island, from 16 to 18 February, various temporary refugee camps were visited. These camps were inhabited by 806 heads of families (3737 people) who fled from East Timor. Island residents of Atauro itself number 5179 people.

According to Delapraz, this number of people will require an increase in food supplies because the arable land on the island is very limited. "We are going to extend aid consisting of dried mung beans, sugar and salt," he said.

The members of the mission also investigated medical conditions in the camps, food and water supplies, cleanliness, and examined restricted data concerning the new arrivals at the refugee camps.

In a subsequent visit to Los Palos and Bacau on 20 February, the mission also investigated living conditions of residents who had returned from Atauro. In January, there were 148 such returnees who went to Los Palos; in December, there were 128 who returned to Baucau.

During the visit to Los Palos and Dili on 22 and 24 February, the mission gathered information on various detainees, comprising 71 convicted criminals, including two women, 11 prisoners in the custody of the public prosecutor, and 13 in the custody of the Military Police.

According to the survey by the Red Cross team, there is a strong possibility that the villages of Los Palos, Luro, and to a certain extent, Iliomar, will require help in the form of food supplies during the next three months. In villages that were visited in the southern part of the island, such as Baturaden, Batukerbau, Dilor and Natarbora, the food situation, according to a team member, Dr A. Willi, is very good because the irrigation system has been working all year.

The mission chairman, D. Delapraz, will submit his report with recommendations to the Indonesian Government (Dept of Foreign Affairs, Dept of Defense and Security and Dept of the Interior) on Friday.

"We consider our mission to have been successful, because we had the maximum opportunity to meet with everyone and to visit whatever area we wanted. We were very favorably impressed with the cooperative attitude shown by Indonesian officials," said Delapraz.

9464

CSO: 4213/47

## REFUGEE REPATRIATION HINDERED BY PRESSURE FROM RESISTANCE

Bangkok BANGKOK POST in English 22 May 82 p 3

[Text] **VOLUNTARY** repatriation from the Ban Na Pho Laotian refugee camp has not failed as claimed by certain refugee officials at the camp, a UNHCR official said yesterday.

Mr Udo Janz, the UNHCR officer in charge of the Voluntary Repatriation Programme for the camp, said it was misleading to claim that an exhibition held late last month at the camp to promote the repatriation programme had failed to attract refugees.

"The exhibition was held to inform refugees that they could choose to be repatriated and gauge their reaction to it...the aim was not to get them to do anything. So it's not right to say that repatriation has been a failure," said Janz.

Last Monday, Thai officials at Ban Na Pho said the exhibition was a failure because its aim was to persuade the 7,288 Laotians at the camp to go home but only two have applied since the show.

But Janz said that it would be impossible to persuade all of the refugees to accept repatriation.

"It was clear from the beginning that at least

half of them would not accept repatriation. Most of them have relatives in third countries and they feel they still have a chance to be resettled even though being in the camp means that they have no chance for it.

Most of the refugees are waiting to see if there will be changes in the international and domestic Laotian situation. Also, they want to see what happens to the Laotians that have agreed to return to their country, Janz explained.

Thai refugee sources have said that many of the refugees are afraid to apply for repatriation because they fear retaliation from members of the Laotian resistance forces in the camp who do not want their compatriots to return.

Janz admitted that this situation exists to some extent. "It is against the interest of the resistance Laotians to see their people go back and so they do create pressures on those who want to return."

CSC: 4220/25

MALAYSIAN TIN INDUSTRY APPEALS TO GOVERNMENT FOR TAX REFORM

BK281457 Hong Kong AFP in English 0849 GMT 28 May 82

[Excerpt] Kuala Lumpur, 28 May (AFP)--The Malaysian tin industry has again appealed to the government to reform what it calls a burdensome tax structure in times of falling prices and rising production costs, the business TIMES reported here today.

The president of the states of Malaya Chamber of Mines, Abdul Rahim Aki, hoped certain measures could be instituted immediately to help the industry weather the difficult period of export controls instead of waiting for the 1983 budget to offer relief.

The chamber has already submitted its proposals on matters relating to taxation to the treasury in connection with the 1983 budget.

In his address at yesterday's 71st annual meeting of the group, Mr Rahim regretted that the 1982 budget presented in October last year did not include any changes in the tax structure specific to the tin industry.

Despite concessions granted by the government in the 1979 and 1980 budgets, the tin industry continued to be beset by inflationary increases in its production cost and by numerous tax levies, he said.

"In the absence of supportive government policies to provide not only an impetus to new investments in mining but also to ensure that viability of current operations are sustained, it is all too clear that the returns presently of investing in mining are not commensurate with the risks.

"There are already clear indications that much-needed private sector funds that might otherwise be used to create the foundation for future development of the country's mineral resources for future development of the country's mineral resources are being diverted to non-mineral based investment opportunities," Mr Rahim said.

The last review of taxation on the industry was made in 1980 when the threshold level of the export duty formula, linked to the average cost of production, was increased. Mr Rahim said another review was urgently needed in view of not only the recent escalation in operating costs but also the current cutbacks in production recently imposed as a result of its export quotas.

CSO: 4220/48

OPPOSITION FOR OPPOSITION'S SAKE DENOUNCED

Kuala Lumpur SIN CHEW JIT POH in Chinese 18 Apr 82 p 3

[Text] Encik Ghafar Baba, secretary general of the National Front [Barisan National Front] said today that normally opposition parties exist in a democratic system, but not the kind of opposition parties prevailing in Malaysia, because they exploit racism and stir up feelings of suspicion and animosity among nationalities for their own benefit.

Encik Ghafar Baba pointed out that the Democratic Action Party [DAP] and the Pan-Malaysian Islamic Party [PMIP] are racially oriented opposition parties. The 13 May Riot, which was detrimental to the nation, was allegedly engineered by opposition parties' manipulation of racist issues.

Encik Ghafar Baba made the remarks during a political speech over the radio today.

He said: "An opposition party's responsibility is to help the country promote development, but the existing opposition parties have brought about harm.

"Malaysia is a prosperous nation, rich in natural resources, and the government is energetically building up an industrial foundation to increase our prosperity, so the people, irrespective of race or religion, may enjoy affluent lives. However, such affluence can be attained only through national unity and political stability.

"The establishment of the National Front to replace the Alliance [of UMNO, MCA and MIC] has consolidated the solidarity of Malaysians and inevitably speeded up national development. However, all the opposition parties are willfully destroying this nation by means of racial dissension, like the 'divide and rule' policy during the past colonial period.

"By strict definition, membership of a nonracial political party should be open to all people of any nationality. Certain political parties did try this experiment, but failed. For instance, the Malayan Independent Party not only failed but disbanded a long time ago. The DAP claims itself to be a nonracial political party, but its activities have proved that it is a political party composed of the Chinese race."



Encik Ghafar Baba continued that the National Front is the best political party for the promotion of racial solidarity, despite the fact that membership of its member parties is restricted to a certain nationality. For instance, the United Malays National Organization [UMNO] is open to Malays only, the Malaysian Chinese Association [MCA] to Chinese only, and the Malaysian Indian Congress [MIC] to Indians only. Nevertheless, the struggle of these political parties is based on the solidarity of the all Malaysians. In short, the National Front is not a racist political party, but a battle-front comprising various political parties which jointly devise political, economic and educational policies acceptable to the majority of the Malaysian people.

He said: "The Malays have said they are economically backward and their struggle has been fruitless. However, the UMNO is still a Malay political party, and the Malays still want this party to safeguard their fate. The UMO is the pillar of the National Front. Besides safeguarding the interests of the Malays, it also wants to unify all nationalities, because the UMNO fully appreciates the importance of solidarity among all nationalities, because it fully understands the problems being faced by all of them. As successor to the Alliance, the National Front's policies of mutual compromise and understanding practiced since 1952 have brought success."

With regard to the present general election, he said that the people will decide on the results. If disturbances should occur within the country, all the people would suffer. Everybody understands this.

He continued: "This general election serves as a comparison of strength between two groups, a comparison between the National Front which is trying to unify the people and the opposition parties which are trying to divide the people. It will be up to the people to decide whether they will choose a peaceful road or a road of shame. Let us hope that they will not choose a political party reeking with racism, for that would destroy the future of our coming generations. Malaysia has all along felt proud that we can show the world our ability to govern our country peacefully, thanks to the mutual understanding among all nationalities within our country, unlike some foreign countries which have been destroyed by racial disputes and disturbances. Malaysia is a model multiracial country whose population live side by side harmoniously. We must consolidate this point.

"The UMNO is by no means a materialistic political party as accused by the Islamic Party.

"The fact that the National Front tolerates the existence of the Islamic Party proves that it encourages spiritual development. It is unfortunate, however, that the spiritual development advocated by the Islamic Party has brought harm to the country and the people.

"If Muslim leaders had not made contacts with non-Muslim followers, the Islamic religion could not have spread throughout the world.

"The weakness of the Islamic Party in the economic field has weakened the Malays and the Islamic religion. If it is strong economically, the religion



will grow strong, our country will enjoy peace, progress and prosperity, while the people can further enjoy their Islamic practices. The establishment of an Islamic University was the peak of development for Islam, and this was a resolution passed by the UMNO.

"Non-Malays are the same as Malays, living in our country permanently, When are the Islamic Party and the Democratic Action Party going to stop splitting the people by forming cliques? Let me give them sincere advice: Do not sacrifice people's lives when you try to fight for your party and grab seats in the assemblies. The goal for setting up a democratic system is for the freedom of the people and their prosperity, but not for making trouble."

Encik Ghafar Baba said that the mischiefs committed by opposition parties in 1969 caused the death of democracy. We must make sure that this incident will not recur. We want democracy to live in Malaysia healthily and forever.

"The ideals of the National Front include the eradication of racialist remnants who are making trouble in educational and economic fields, so our generations can live as a peaceful nation. The opposition parties are attempting to sabotage the sacred efforts of the National front. They should be censured, or else our government would have to earmark more funds to unify the people."

Encik Ghafar Baba said that a sense of understanding, awareness and responsibility will help the people in casting their votes on 22 April and in choosing the political party which can be entrusted to bring peace to the nation, namely, the National Front.

9300

CSO: 4205/1

MCA PRESIDENT MAKES PLEA FOR PARTY, UNITY

Strengthen MCA

Kuala Lumpur SIN CHEW JIT POH in Chinese 16 Apr 82 p 8

[Text] The president of the Malaysian Chinese Association [MCA], Datuk Lee San Choon, called on the public not to place their dissatisfaction with the government on his party, because, he said, the MCA has in fact done its utmost for the broad masses of the Chinese compatriots.

He said: "In a multiracial state, it is not realistic to blame the government by making a scapegoat of the MCA. If such sentiments are allowed to spread excessively, Chinese compatriots will suffer more losses."

Lee San Choon made the remarks during a well-attended discussion meeting at the Banliwang auditorium under his party's auspices last night.

He said: "Ours is a multiracial nation. From the colonial period up to our independence, many problems developed in a complicated way. When the government carried out its first Malaysian New Economic Policy in 1971, the Malays were economically in a weak position, therefore they were given a high priority to elevate their economic status. In so doing, however, the government often neglected the welfare of the Chinese people, which complicated the problems further and created feelings of discontent over government policies among the Chinese who subsequently cast their votes for opposition parties."

He pointed out that such action was not practical. While the MCA was fighting for the interests of the Chinese people, the Democratic Action Party [DAP] pulled MCA's legs from behind, claiming that the MCA would not represent the Chinese community.

Often, while the MCA was doing its best for the benefit of the Chinese, the DAP poured cold water over the MCA from the sideline. Under such a situation, nobody but the Chinese people were the losers.

He appealed to the voters in the Banliwang District to give the MCA a chance to strengthen its force in the cabinet and to fight for the greater interests for the Chinese people.

He pointed out ever since 1959 he has always campaigned in Segamat, garnering more votes in each election, but this time he will shift his pattern to Seremban to accept the challenge of Lim Kit Siang [of DAP] in his determination to seek a political breakthrough.

He said: "We Chinese have many unresolved difficulties. This election will determine the political road we will traverse."

He pointed out that a number of disgruntled voters support opposition parties merely to give vent to their pent-up feelings, and do not care whether the opposition parties can do them any good or not. They do not realize that when all is said and done, their problems remain unsolved.

#### Chinese Unity

Kuala Lumpur SIN CHEW JIT POH in Chinese 16 Apr 82 p 8

[Text] During a political panel discussion held in an Ipoh town on 14 April, Datuk Lee San Choon, president of the Malaysian Chinese Association [MCA], appealed for unity among the Chinese people. He expressed the hope that on general election day (22 April), he would hear the voice of Chinese voters crying:

We want solidarity!  
We must be united politically!  
We must take uniform steps!

Datuk Lee, who is concurrently minister of transport in the Malaysian cabinet said: "During my recent visits to many towns and cities, I found MCA comrades in high spirits and firm determination. All our comrades hope that we will make a political breakthrough in this year's general election."

He added that the MCA is a political party with half a million members. Although some of them may feel disgruntled, the overwhelming majority of the members have for the moment put aside their personal grudges. With this major premise, everybody is united to fight this battle.

This 1982 general election is a test for the National Front, but particularly for the MCA. Can we pass this test? Can our party become a more representative organization for the Chinese people.

In the past, Datuk Lee added, the political direction of the Chinese community was hazy. Such a situation must not be allowed to continue, or else our future will be unthinkable. During the eighties, the Chinese people are facing many challenges. If the MCA cannot effectively represent them, they will find themselves in more serious trouble in the days to come.

He said: "Our MCA is a prestigious political party. We believe that we have done a lot of things in the interests of the Chinese community. We want the Chinese to understand that the time has now come for all of us to be united."

According to one Michael Kamil of the United Malays National Organization [UMNO], who is directing the electioneering for the National Front in Chinta District, Datuk Lee San Choon is one of our national leaders and he deserves the massive support of the Chinese people. Kamil appealed to the voters in the Chinta District to cast their ballots for National Front candidates.

The Chinta District parliamentary candidate for the National Front, Lim Liang Sing of MCA, was present. So was Tan Chee Siong of the People's Progressive Party [PPP], state assembly candidate for Zhumao [2612 3029] District.

Datuk Mak Hon Kam, MCA's chairman for Perak State and concurrently deputy minister of finance, pointed out that the MCA is resolved to won a breakthrough in this general election. During the past 30 years, our nation's achievements have reached a peak, and we have completed the first Five Major Plans. We think the time has come to look for a breakthrough, and hope that our compatriots will cast their ballots conscientiously, give full play to their strength, influence the masses and fully support the success of the National Front. He appealed to the electorate that apart from voting for MCA's candidates, they should equally support PPP's state assembly candidate Tan Chee Siong who belongs to the National Front banner.

Earlier, Tan Lip Chee, MCA's chairman for Chinta District, pointed out that the imminent general election will decide the future and fortunes of the Chinese people. We want to let the Chinese make a choice as to whether the doings of MCA in recent years are acceptable to them or otherwise. He said that the MCA has shown good performance in its Five Major Plans and Ten Major Plans. By contrast, he said, the Democratic Action Party [DAP] has done nothing, incurring unnecessary trouble and leveling personal criticisms during an election period.

9300

CSO: 4205/1

PRIME MINISTER MAHATHIR DEPLORES ETHNOCENTRICITY

Kuala Lumpur SIN CHEW JIT POH in Chinese 15 Apr 82 p 3

[Text] Datuk Seri Dr Mahathir Mohamad criticized a certain opposition party which tried to win over the people in Sabah and Sarawak by exploiting racial sentiments, particularly support of ethnic Chinese citizens.

Prime Minister Mahathir said that in order to win votes in the general election, the party in question advocated chauvinism, bringing up problems affecting a certain nationality but ignoring the interests of others.

He said that no racism existed in Sabah and Sarawak in the past, but such feelings have now been propagated there by a political party headquartered in the Malaysian Peninsula.

In a public meeting at Kuching on 13 April, the prime minister deplored that an opposition party, in an attempt to win over the support of ethnic Chinese people, strongly defended their exclusive interests but ignored the presence of other nationalities.

He continued that the said party's campaign posters were written only in Chinese for the special benefit of a certain group.

The prime minister who was making a 1-day visit to Sarawak, said that the party has warned the Chinese community not to collaborate with other nationalities.

He said that it used an "Outline of a New 3-M System for Primary School Curriculum" as an issue to stir up Chinese sentiments.

(The prime minister was apparently alluding to the Democratic Action Party [DAP] which had mounted banners and posters concerning the 3-M system curriculum on several streets in Kuching.)

He said that the opposition party also censured Chinese-based member parties of the National Front [Barisan Nasional] for not broaching the 3-M issue, such as the Sarawak United People's Party [SUPP] and the Sarawak National Party [SNAP].

He questioned whether the DAP could claim to represent effectively the people by sending its candidates to only 4 of the 24 parliamentary electoral districts during the election campaign.

Datuk Seri Dr Mahathir said that only by cooperating with the National Front can members of a political party win election and fight for the interests of the people.

He said that member parties of the National Front often consult with one another on problems affecting the people.

He stressed that the government has decided to mold a united people by means of a consultation system.

He said that only through this channel can the state achieve progress, strength and international respect.

On another occasion in Sarawak, Datuk Seri Dr Mahathir said 14 April that in the general election, the people should cast their votes for National Front candidates to the government's development plan for the benefit of the entire population.

He urged the people to elect who are either closely connected with the government or able to serve the people effectively.

The prime minister stressed that it is important for the voters to elect candidates of various nationalities, because the state deserves a government comprising representatives of various nationalities.

He said: "We must do away with racial discrimination."

Datuk Seri Dr Mahathir made these remarks during the opening ceremony for a M\$1.5 million water reservoir in Sarawak.

He hoped that the people would make no mistake of electing candidates representing opposition parties.

He said that if they erroneously chose opposition party candidates, they would lose all benefits.

The prime minister pointed out that the people should know how to discern one political party from another.

He strongly believed that in this general election, the people in Sarawak would express their political thinking in a nature way and elect candidates capable of rendering them service.

Earlier, the prime minister said that the government would earmark a special fund for the expansion of a water reservoir at Mukah for the benefit of the local population. He was enthusiastically welcomed by some 4,000 people at a mass meeting held in a public square of this coastal town on 14 April.

This was the first time in 17 years that a Malaysian prime minister paid a visit to Mukah. Dr Mahathir was accompanied by some government officials, including Sarawak Chief Minister Datuk Taib.



At Kota Kinabalu, Sabah, Prime Minister Datuk Seri Dr Mahathir received a memorandum submitted by the Sabah Chinese United Party [SCUP] concerning "certain difficult problems" being faced by the party during this general election.

This was divulged by the prime minister during a brief news conference before leaving for Kuching after a 6-hour visit to Kota Kinabalu.

The memorandum was handed to him by SCUP leaders when the latter called on the prime minister at the combined headquarters of the Sabah Islam Federation.

Dr Mahathir said he would study the memorandum in order to appreciate SCUP's difficulties before deciding on any corrective measures.

Asked whether one of the SCUP's difficulties mentioned in the memorandum concerned the decision of the United People's Party to put forth independent candidates opposing National Front candidates for the general election, the prime minister said: "That is possible. But this is also a problem faced by other member parties of the National Front."

The prime minister added that his visit, however brief, has enabled him to understand Sabah's latest situation.

He said: "It appears that everything is quiet here, without any untoward incident."

On another occasion, Prime Minister Mahathir urged all Islam followers in all fields to work hard to attain self-reliance, instead of being called dependent people.

In particular, they must pay attention to education.

The prime minister was visiting Kota Kinabalu to attend the stone foundation laying ceremony for the M\$156.4 million Sabah Islamic Council Headquarters Building. He emphasized that Islam does not hinder its disciples in the pursuit of knowledge.

He said that he was disappointed with the activities of certain Muslim organizations, because they caused many misunderstandings hindering Islamic development and destroying Islamic image.

These organizations include extremist elements and the recently exposed deviant religious group with its so-called Crypto doctrine.

He added that there were other organizations which levelled barbarian criticisms against Muslim disciples.

Datuk Seri Dr Mahathir hoped that Muslim organizations in Sabah would continue to strive appropriately for religious development.

He said that Islamic followers must prove to other people that they have the ability to face the challenges of modern society and to collaborate with other non-Muslim people for the common interests of the state.



## GOVERNMENT FAILS TO MEET FOOD NEEDS

Kathmandu THE MOTHERLAND in English 22 May 82 p 3

[Editorial: "Shortage and Price Rise"]

[Text]

Price rise and shortage of consumer as well as construction materials have hit the people again. While the price of rice has gone up considerably, cement has disappeared from the market. The reason remains unexplained and the Nepal Food Corporation and the Ministry of Commerce and Supplies continue to be indifferent. Increase in the price of rice has come rather too early because only in the months of July and August the price normally shows an upward trend. This staple food of the people is feared to cost more. There is nothing extraordinary about the cement playing hide and seek as has been the practice for the past few years. Yet it looks unreasonable when viewed against the government's pledge to ensure its smooth supply. This reminds us of the special economic programme, or call it crash programme, proudly presented by the Prime Minister not long ago.

The special economic programme which was professed to mitigate the hardship of the people at least, this was what was painstakingly emphasized when the programme was announced-enjoins the government to maintain regular and un-

hindered supply of consumer and construction materials. To this end the programme undertook to open markets in different parts of the kingdom. Where are those markets now? Are they really coming? In all fairness, it can be said that the programme was still-born and the government could not infuse life into it, as is evidenced by its failure to make any visible impact on the day-to-day life of the people. The only purpose it seems to have served is a wrong purpose, i. e. to deepen the credibility gap between the people and the government.

CSO: 4220/31

BANK REPORTS ECONOMY FLAGGING

Kathmandu THE RISING NEPAL in English 27 May 82 p 4

[Editorial: "Encouraging?"]

[Text]

The annual report of the Nepal Rastra Bank says that the country faced difficult times in the previous fiscal year, mainly because of adverse weather condition which led to considerable decline in farm production. The report says the situation was so bad then that the national growth rate was negated. The only redeeming feature of the national economy, according to the bank report, is that agricultural production has considerably increased in comparison with what was produced during the last fiscal year. We must thank God for what the bank has described as the general encouraging trends in the national economy. But one is painfully reminded of the fact: How long can a nation manage its economy depending on the vagaries of nature? The generally encouraging trends in the national economy in the current fiscal year is not due to the performance of the government. Had it been so through the efforts of the government, it could of course have been a matter of satisfaction.

The bank for various reasons cannot naturally afford to indulge in criticising.

the performance of the government but the message of the report cannot be mistaken. The government is censured for not doing what it should have done. It has not been able to control imports which have again considerably outstripped the earnings from the nominal exports of the country. The result, as the bank report says, is the ever-widening trade deficit, a crucial factor which can very well lead to the total collapse of the national economy. God can help only those who help themselves. And what in fact has been done to revamp the flagging national economy—practically nothing.

CSO: 4220/31

## RICE PRICE RISES

Kathmandu THE RISING NEPAL in English 27 May 82 p 4

[Text] Market prices have soared this week. The most marked increase seems to have affected staple cereals like rice. Overnight, prices leaped from Rs. 1 to Rs. 1:50 which is a quantum leap of over fifty percent. The reasons provided both by shop-keeper, wholesalers as well as officials are vague, and consumers have complained that even if explanations are offered, it will probably not bring down the price. Fine grained rice costs up to Rs. seven to eight today. "Taichin" rice is available at five rupees forty per kg.

Also up are the prices of fruits. Mangoes, despite rumours of truckloads of mangoes arriving from the south, have gone up by two rupees per kilo and now cost twelve rupees. Oranges, when available, have also shot up to Rs. 15-18 per kg.

This week's vegetable is the "kainda pharsi" (zucchini) which are all over and come at Rs. 5 to 6 per kg. Cabbages are also "in" and sauhuns ask for two rupees per kg.

Among the "dals" rahar is nine per kg, moong eleven per kg, and mas costs up to eight rupees fifty for the same amount.

Potatoes, surprisingly enough, are keeping steady and cost three rupees fifty for red and four rupees for white, per kilo. Lets keep our green thumbs crossed till next week !

CSO: 4220/31

## ISSUES OF ECONOMIC STRUCTURE DISCUSSED

Islamabad THE MUSLIM in English 9 May 82 p 4

Article by Omar Khan

Text

Years of colonial rule till partition and a neo-colonial structure since then, accompanied by unrepresentative governments, has meant that the potential and the will of our people have not been able to find expression in the country's development effort. While certain vested interests at home and abroad have benefited from a socially inequitable development process, the majority of the people have not experienced any meaningful improvement in the quality of life over the last three and a half decades. The widening of the socio-economic gap between classes and regions, in the absence of democratic political institutions, has led to the fragmentation of the country's political structure.

To achieve long-term political stability, in a country as diverse as ours, there is a need to involve the people directly and through their representatives where necessary, in the development process. This can only be achieved through the creation of institutions at the local, provincial and national level that reflect the potential and the will of the people. To realise the true potential of the people, our greatest national asset, they need to be informed, motivated and mobilised through intellectual and political action aimed at the creation of a social order in which their will is expressed and effort

rewarded judiciously. Political participation, the right of self-determination, and a just socio-economic order are necessary prerequisites for the people of the different regions to feel that they have a direct stake in the wellbeing of society and the country as a whole.

## UNPLEASANT FACTS

While today in Pakistan greater emphasis seems to be placed on the ritualistic aspect of religion, the principles of Islamic social justice are conveniently ignored by the more influential and powerful sections of our society. Can a society call itself Islamic where, on the one hand, the privileged few live a life of selfish affluence, and on the other hand the majority live in abject poverty. Merely to exist, one is forced to give up one's freedom, honour and dignity, the most fundamental of human values.

The level of poverty in Pakistani society is reflected in the fact that roughly 34% of the population or 16 million people today exist on a diet that is considered to be below the minimum diet required by a normal human being. The fact that 70% of the population does not have access to clean drinking water and 65% of the people are without adequate shelter are glaring indicators of the extent of human deprivation within Pakistan. Moreover, with 75% of the population illiterate and 44% of school-age children receiving no primary education, Pakistani society is, and at the prevailing rate, will continue to be, one of the most illiterate.

In the late 20th century Pakistan is a country where the majority of the people are without the most basic social necessities

of life. Furthermore, a matter of grave concern is the fact that the ranks of the deprived and illiterate are growing rapidly because of a rapid increase in the rate of population growth. At an annual population growth rate of 3% the population of Pakistan will almost double itself by the turn of the century. Imagine any big city of the country with roughly double the population of today. With the growth in the availability of social services proceeding in an extremely haphazard manner and at a pace slower than population growth, the major cities of Pakistan by the year 2000, or even earlier, are likely to become socially unmanageable. Unless these problems are tackled effectively now, a socially and politically explosive situation is likely to result in the next few years.

#### WEAK PRODUCTIVE STRUCTURE

Pakistan's ability to provide essential social services to its people is extremely poor. A major reason for this is the country's weak economic structure and a planning machinery that has been unresponsive to the country's needs. No doubt the development of industry since partition has to some extent diversified the country's productive structure but this process has not been directed towards meeting the needs of the country. Excessive dependence on imported manufactured goods, high rates of urban unemployment, rising prices of finished goods and poor working conditions amongst a large number of industrial workers are some of the more obvious indicators of a badly executed industrialization process. A well conceived and efficiently executed industrialization process should improve socio-economic conditions in the country.

Agriculture, the backbone of the economy, is another sector that is beset with basic socio-economic structural problems. It is estimated that while approximately 100,000 acres of agricultural land are being lost every year due to water-logging and salinity, a large amount of cultivable land is lying waste or is inefficiently cultivated due to a semi-feudal land-ownership structure. As a result, a large proportion of the rural population is living at or below the poverty line. The aristocracy, on the other hand, are

able to maintain their living standards through their control over both rural and urban assets. By acquiring a taste for urban living as well as an interest in urban-based commercial activities, they tend to have a limited interest in increasing agricultural productivity. Moreover the expenditure pattern of the rural and urban elites, including that of the Middle-East affected 'nouveau riche' results in a significant proportion of agricultural and urban incomes being channelled into non-productive activities such as expensive housing and imported consumer goods.

#### TAX BURDEN

Another form of non-productive expenditure in our economy is expenditure incurred by the government on administration. Although an armed forces and bureaucracy are necessary for maintaining the sovereignty and independence of the nation-state, the amount of expenditure and its modalities must conform to the national interest and needs, which should be decided by the people collectively. Government expenditure on defence and civil administration, which in 1970/71 in a united Pakistan was Rs. 37 billion had ten years later reached Rs. 22.7 billion or 66% of the non-development budget. In contrast the government is spending only 77.8 crore or 1.8% on health and Rs. 3.3 billion or 7.8% of the non-development budget on education.

To meet its non-development expenditure, the government levies two kinds of taxes—direct and indirect. While direct taxes, levied on the income and wealth of the relatively well-to-do, comprise only 15% of total tax revenue, indirect taxes, collected from the general public in the form of taxes on items of daily consumption, are about 85% of total tax revenue. In recent years, the prices of essential consumer goods such as kerosene oil, natural gas, ghee and cement have been rising partly due to indiscriminate taxes on these items. The surcharge (tax) on cement and natural gas are important revenue earners for the government.

Another large item of government expenditure is annual debt servicing on external loans. Due to excessive reliance on foreign resources for financing development effort, the country has accumulated an outstanding exter-

nal debt of Rs. 90 billion, which has to be repaid every year with interest. The increase in Pakistan's debt servicing obligations in recent years is reflected in the fact that while in 1975/76, 27% of gross aid was returned back as debt servicing, in 1980-81, 66% was returned back to donor countries.

Thus, due to reckless borrowing, new loans are being contracted to pay back old loans. The burden of the external debt is therefore increasingly being borne by an already heavily taxed public. It is estimated that every child born in Pakistan today owes the government of Pakistan Rs. 1500/- as its share of the total external debt. This is the external debt on economic loans only and therefore does not include those loans for which figures are not available.

#### FUTURE FRAMEWORK

A first step in moving towards an alternative economic framework is to reduce our dependence on foreign resources and simultaneously diversify our resources of aid. This will allow us not only to reduce the tax burden on the public, but will also help us move out of the clutches of powerful donor countries. The terms and conditions under which Pakistan has received loans from foreign countries and supra-national aid giving agencies has invariably meant that our development strategy and policies have conformed to their strategic and economic interests and have, therefore, not necessarily been in accordance with our national requirements. Once reliance on foreign resources has been reduced, as a second step, it will be necessary to curb non-productive expenditure in both the private and government sectors. Resources released from non-productive activities may then be channelled into economically and socially productive and desirable projects, such as schools, public clinics, housing colonies, roads, dams, factories, etc. Such large amounts of investment with a reduced quantum of foreign loans, would require a major institution and reallocation of national resources aimed not at satisfying narrow private interests but at meeting the socio-economic needs of a largely impoverished society. However, priorities will still have to be worked out and for this purpose the necessary political institutions need to be created.



## SIXTH PLAN TO BE READY BY YEAR-END

Lahore THE PAKISTAN TIMES in English 21 May 82 pp 1, 14

[Text]

ISLAMABAD May 20: Dr Mahbub-ul-Haq Deputy Chairman Planning Commission, has said that the draft of Sixth Five-Year Plan will be ready by the end of this year and it will be placed before the nation for debate before launching in July 1983.

In an interview broadcast by Pakistan Broadcasting Corporation last night Dr Mahbub stated the key objective to place the plan before the nation will be to remove all deficiencies in the current Fifth Plan so that a "public-approved" plan is launched next year.

He said major changes will be brought in agriculture industry and education.

He disclosed that during the sixth five-year plan a Rs 15 crore 'technical skill project' will be launched under which artisan schools will be opened to produce skilled manpower. The project will also help reduce unemployment.

"The plan will not be prepared in Islamabad or Secretariat, it will be made with people's assistance", Dr Mahbub said, adding that he will visit villages and consult people so that their real problems are identified. He said he has asked the local councillors to prepare five-year plans at district level. For this purpose he will provide them experts.

The Government is trying to give full boost to the private sector and under the Sixth plan several sectors will be reserved to encourage individual incentive. These sectors, he said will be engineering and agri-industries. He said if the private

sector does not come up to expectations, then the public sector will enter into the engineering sector. About agro-based industries, he said agricultural producing is likely to rise in the coming years: "Our production will be surplus. On this basis we will be able to set up agro-based industries."

Although farm production and national income increased under the Fifth Plan, the private sector did not pick up. He said the Government is now relaxing controls inhibiting private enterprise.

He said there has been a 17 per cent reduction in imports due to rise in the production of fertilisers, cement and other products. He said the setting up of engineering industry in the country will further reduce imports.

He said the rural electrification programme will be expanded and speeded up and special efforts will be made to put the Steel Mills in full production by October 1983 so that allied industries are set up.

Dr Mahbub said the rate of inflation during the last four years reduced to almost half which he hoped will go down further in the coming years. He said in other countries inflation is reducing which is a good sign for the Pakistan's economy.

He said savings have increased this year compared to last year. During 1980-81, Rs. 146 crore were generated in the seven national savings schemes whereas during the first nine months of the current financial year savings shot up to Rs. 385

crore and were expected to touch the Rs. 480 crore mark by the end of the financial year.

He said that the Government is considering to launch special schemes to attract foreign remittances to increase savings. He said the committee constituted by the Finance Minister has suggested ways to put the money to constructive use.

The Planning Commission Deputy Chairman said despite world-wide recession, Gross Domestic Production has risen by over six per cent. During these four years, exports registered a 25 per cent increase while agricultural production increased annually at the rate of five per cent, he said.

However, he said, the exports suffered a setback because the demand for cotton, rice and other products in world market declined. The Government is considering various measures to meet this situation.

CSO: 4220/26

BROAD-RANGING COOPERATION WITH INDIA PROPOSED

Karachi DAWN in English 9 May 82 p 7

[Article by Dr Mubashir Hasan]

[Text] The need to strengthen regional peace and security in South Asia has been felt with unusual keenness in the recent past. Among others, India and Pakistan have appeared to be desirous of erecting a superstructure of goodwill and amity over the foundations laid down by the Simla Agreement.

Pre-independence history and post-independence performance present real as well as imaginary obstacles in the way of yet another compact. Any step in the direction shown by the Simla Agreement seems to have paranoic implications for both the parties.

Should the aim be promotion of material national interests of the two countries rather than affixing signatures on documents mainly for psychological impact, the difficulties in the way of arriving at acceptable arrangements are somewhat reduced. Indeed, if the scale of accruing material benefits is raised high enough it would help bring about a qualitative change in the perception of the parties. Extraordinary benefits tend to induce extraordinary motivations to enter into and a corresponding level of dissuasions from forsaking mutually beneficial arrangements.

I would venture to suggest that Pakistan may seek from India, or, on his own initiative, India may offer to participate in projects of substantial economic worth to Pakistan through an acceptable mix of investments and loans, partially to be paid back through Pakistani goods and services. In return, Pakistan may agree that the benefits of the projects, so much as feasible, may flow to India on a long term basis. Pakistan may also agree to purchase from India on the basis of competitive landed cost, a large portion of the capital goods required for the projects.

Let me assign numbers, howsoever approximate, to indicate what I consider as the lowest possible scale for such a deal. I may also mention a few projects to give an idea of their nature and purpose, namely, to strengthen the foundations of the Pakistani economy as it stands today.

## Projects

I propose that this special programme of development of mutual goodwill-cum-economies should aim at an outlay of a minimum of twenty thousand million dollars over a period of five to seven years. Among projects to be included in the programme I would give priority to the following:

1. Establishing electrical power generation plants in Sind, based on Lakra coal, of the order of five thousand megawatt capacity. Part of the power should be made available to India.
2. Establishing a battery of cement plants of a total capacity of, say, ten thousand tons a day. A part of the production may be earmarked for India.
3. Establishing a series of plants of one million nutrient tons annual capacity to produce chemical fertilizers of various types. A part of the production may be earmarked for India.
4. Joint production of railway locomotives, wagons and containers at Lahore based materially on supplies and parts from India. Manufacture of one hundred locomotives per year may be envisaged for use in Pakistan, India and for export.
5. India may help Pakistan in doubling the capacity of the steel mills at Karachi, the expansion to be based on supply of ore from India.
6. Pakistan and India may participate in the copper mining and refining project at the proven huge valuable reserves in Baluchistan to meet the requirements of both the countries and for export.
7. India may supply the bulk of steel requirements for nearly three thousand km length of new railway tracks required in Pakistan to augment the existing tracks.
8. Pakistan and India may jointly build a brand new four hundred kilometres per hour super-train-service, track and all, from Calcutta to Peshawar.
9. Under a joint project India's coal mines may be further modernised to produce the increased coal requirements of India and to introduce large scale use of superior Indian coal in Pakistan.

The scale of the aforementioned proposals may be modified if necessary, to a still higher level to suit India so that the healthy impact on her major production facilities is not inconsiderable.

The magnitude of the exchange of goods and services generated by such a programme would be far greater than anything so far contemplated by export industries of India and her political leadership. Much sought after but, so far, elusive, political benefits such as reduction of tensions and growth of mutual confidence, would flow as a bonus.

The problems of financing on the scale envisaged should not be insurmountable. The rich industrialised countries, inclusive of the two superpowers interested in promoting peace and goodwill on the subcontinent rather than selling arms, might come forward to help. For some, emerging from a deep recession, economic self-interest of selling goods and technology and advancing profit bearing loans would be additional attractions. The oil rich Islamic countries might also lend a helping hand for a variety of reasons.

In any case, the financial and technical problems have a secondary importance at this conceptual stage. Of primary importance is the need for a states-person like vision that rises above narrow and short-term considerations and is able to view objectively the totality of requirements and problems and is concerned with the long-term greatest good of the greatest number on both sides of the border.

CSO: 4220/13

## NEED FOR EFFECTIVE POPULATION POLICY STRESSED

Karachi DAWN in English 9 May 82 p 7

[Editorial: "The Indirect Approach"]

[Text]

THE Population Division, Government of Pakistan, is said to have prepared a comprehensive communications strategy for dissemination of information on population and development. It hopes to make use of the newspapers, radio, television, films and even the traditional folk media to spread the message of the population welfare programme. Since no other aspect of human development depends on the participation of the masses for its success as population planning, the move to enlist the support of the media should, if properly planned, prove to be an effective means of promoting the population welfare programme launched in July 1981. The keynote of this three-year programme is the indirect approach that has been adopted. Keeping in view the socio-cultural prejudices of the people, the plan is to focus on providing health cover to women of child-bearing age and infants. The new approach is designed to bring about a reduction in the population growth rate by raising the level of human development. Thus, the 1,250 family welfare centres to be in operation by June 1984 would be

so planned as to provide essential medicines, pre-natal and post-natal care to the mother and child, immunisation facilities for children and even nourishment for nursing mothers in cases where they cannot afford wholesome food. The other important aspect of this plan is its integrated approach. The plan has been dovetailed with the other development activities which should, at least in theory, make it easier to reach the people without making separate institutional arrangements.

How successful the new plan will be in achieving its targets will depend on how earnestly it is implemented, especially by those organisations which have so far played no role in population planning, such as the Railways, industries, local bodies, etc., but are now being called upon to cooperate in promoting the concept of family planning. Much would also depend on the funds provided for the programme and to what use they are put. For quite some time the impact of the population welfare programme might not even be felt because the indirect approach will obviously take longer to produce results. But that would have hardly justifi-

ed not giving a fair trial to this broad-based strategy which offers the advantage of not producing a backlash in a society steeped in ignorance and superstitions as ours. However, what cannot really be justified is the decision more or less to abandon the direct strategy of promoting family planning, especially in areas where it is known to have worked and where the barriers have already been broken down. Notwithstanding the impressive communications strategy evolved under the population welfare programme, one hardly finds the publicity necessary to keep such a programme going. Moreover, the retrenchment of nearly 7,000 employees of the Popu-

lation Department to reduce its staff to half of what it was and the de-emphasis on its field services might prove to be counterproductive. The ideal strategy would have been to combine the two approaches. The link between the population growth rate and the socio-economic development of the country is too obvious. It is for the planners to determine how much importance they wish to give to an effective population policy.



## GERMAN LOAN FOR PAKISTAN

Karachi DAWN in English 10 May 82 p 1

[Text]

ISLAMABAD, May 9: West Germany will provide Pakistan D.M. 130 million economic assistance under an agreement signed here today.

The assistance which will be provided for 1982-83, and in Pakistan currency, will amount to Rs. 862 million, it was officially stated.

The loan will finance Rs 85 million worth of imports of commodities for the Oil and Gas Development Corporation, Railways, and WAPDA; Rs 108 million for imports for Telephone and Telegraph Department; Rs 43 million for Baluchistan minor irrigation and agricultural development project; Rs 43 million for hospital equipment and drinking water supply schemes in NWFP and Rs 300 million for North Dadu Irrigation and Drainage Scheme.

**MATURITY PERIOD**

The loan will carry a 0.75 per cent interest, with 30 years

maturity, including a grace period of 10 years.

The agreement was signed by Mr. Konrad Forner, the visiting State Secretary, Ministry of Economic Cooperation, West Germany, as well as Dr. Klaus Terdoth, West German Ambassador in Pakistan. Mr. Iqbal Ahmad Naik, Secretary, Economic Affairs Division, signed for Pakistan.

Earlier Mr. Konrad Forner, accompanied by German Ambassador in Pakistan, called on Mr. Iqbal Ahmad Naik and exchanged views on on-going and future development co-operation and other matters of mutual interest.

Mr. Konrad Forner arrived here on Sunday morning at the head of a 5-member delegation on a week-long visit to Pakistan. The Secretary, Economic Affairs and the German Ambassador, among others, received the delegation at the airport.—APP

CSO: 4220/13



## COUNTRY'S SOUR POLITICAL STATE ANALYZED

Islamabad THE MUSLIM in English 13 May 82 p 4

[Text]

, It was Alexander Pope who said:  
*"For forms of government  
 let fools contest  
 That which is best administered is best"*

But then there is also the saying: 'Good government is no substitute for self-government'. Ever since the military assumed power in 1977, there has been much speculation and loud thinking about forms of government and politics best suited for Pakistan. I recall more than two years ago, the University Grants Commission had arranged consultations with some Pakistani political scientists and scholars, Professor Anwar Syed on sabbatical leave from Massachusetts University, also being associated. What were the questions exercising the minds of scholars and other discerning persons at that time? One thing was clear: the military regime did not wish to abrogate the 1973 Constitution, but it was also not in favour of an undiluted application of the Constitution to Party politics, elections and the formation of federal and provincial governments. Nevertheless it is universally recognised that the 1973 Constitution enjoys the widest possible consensus; thus it would be right to say that it has acquired the status of a national asset in the field of

government and politics, something we must not squander or tinker with too lightly. Still, questions are raised: what should be the power-relations between the President and the Prime Minister; which is better, a presidential or a parliamentary system; what is better, two houses or one; how many Political Parties; what kind of electoral system, plurality-based, single-member voting or proportional representation; the quantum of provincial autonomy; qualification of voters etc.

The President's recent pronouncements at Dera Ghazi Khan (May 5), Lahore (May 5), Multan (May 6), and Quetta (May 9) have added a few more questions, and given considerable food for further thought. Here is a summing up of what the President said:

There is a very potent possibility that next elections would be held on non-Party basis; Under the envisaged Islamic political order, candidates for elections would be required to fulfil certain qualifications; in this connection their bona fides would be ascertained; in lighter vein, he added, when prospective buyers ascertained the pedigree of animals, why not the genealogy of electoral candidates; Elections, he said, would be held, when he becomes sure of positive results; He favoured a role for the army in the future political set-up of the country to forestall repetition of Martial Law; he envisaged a Higher Command Council to take decisions on vital and important issues, the

Council to include the President, the Prime Minister, the Defence Minister and the three Chiefs of the Army; such a Council was necessary to avoid conflicting decisions regarding the country's foreign and domestic policies;

No date can be fixed for elections—but we are not the ones to leave even things and run away—"mirchabaat ko phail hai broodja-ein"

At Rawalpindi (following the Medical College function) he said if there were one or two or three Political Parties, he would allow political activity.

For quite sometime now there have been hints in favour of the Army's formal inclusion in civilian government, but now for the first time the President has made a definite proposal. Firstly such a proposal would destroy the long-standing tradition of the supremacy of civilian rule as one of the fundamental and democratic rights of citizens; it would also adversely affect the representative authority and credibility of a sovereign body like the parliament. It would also, apart from Martial Law take-overs in an emergency, (specially when proper constitutional remedies are lacking) extend the role of the Armed Forces (or even the Police) beyond its universally recognized limits. The Turkish example has been mentioned in the past, but Turkey never seems to have peace. In China the PLA (People's Liberation Army) has a part in civil administration, but China is a Communist State, with an altogether different political and

administrative structure. In this connection the Islamic tradition needs to be carefully studied. It is not a question of ability (armies are highly competent and disciplined) but one of representative legitimacy and responsiveness. The army (as the police) is founded on force, not on persuasion, argument, or consensus. However there could be advantage in setting up a consultative machinery, in which the Army's (and Police's) advice would also be available. Here I am reminded of the following advice by Hazrat Ali in his letter to the governor of Egypt. Hazrat Ali intended no mistrust of the Army or the Police; he only highlighted the basic difference in the very nature of their functions:

*"Out of your hours of work is a time for complaints. Do not let your army and police be in the audience hall at such a time so that those who have grievances against your Government may speak to you freely, unreservedly and without fear."*

Indeed a better way to avoid ML take-overs, as the President very rightly pointed out was to make the necessary provision in the Constitution. At Multan, talking to newsmen, the President said had there been a balance between the powers of the President and the Prime Minister under the 1973 Constitution, the President would have taken a decision to haul the country back from the crisis of 1977; the involvement of the Army thus would have been excluded.

The role of political parties in the process of political development will need careful re-thinking, this includes one, two or three

party, or no-party systems. Parties help in the political and democratic development - they are based on the effective mobilization of the people. Each individual represents himself, but he cannot represent the people (however able he may be) unless he has the backing of a representative Party mandate. A no-Party system will halt political development and lead to chaos. Ayub Khan tried it and failed. There are historical and ideological reasons why the one-Party system functions effectively in Communist states. But the one-Party system has been tried in Iran (during the Shah) and Egypt (during the Sadat regime) and failed. The multiplicity of Parties provides within itself the seeds of its own improvement. Eventually four or five major parties emerge, and this process leads to greater political stability. Indeed the voice of small parties cannot be despised either. In fact proportional representation has been suggested as a device to enable smaller parties to gain representation in the legislature. Even now Pakistan has about a dozen Parties, big and small, whose representation in the legislatures would be very useful.

Pakistan in its historical context is well attuned to the parliamentary system; this would also allow for a democratic presidential system. Both systems have never had a sporting chance. Governors-Generals and Presidents have had viceregal intentions, while the PPP regime became too personalized in its leader. Indeed all regimes ended up being authoritarian and bureaucratic. The climate was never allowed to be congenial for political and parliamentary development.

TOO MUCH TALK, NO ACTION BY AMERICAN INVESTORS TERMED DISAPPOINTING

Karachi BUSINESS RECORDER in English 14 May 82 p 2

[Editorial: "Is It Not Wastage of Time, Money and Energy?"]

[Text]

During the last six months it is the second US businessmen's mission which has come to this country and still they are exploring the possibilities of investing in Pakistan. The present mission sponsored by the US AID is a 'reconnaissance' mission and we have been told that one more delegation would visit here in December next which would sign agreements with their counterparts in Pakistan for setting up specific projects on joint venture basis. It is not yet clear as to what would be the nature of the ventures they would like to set up with the collaboration of the Pakistani businessmen. The delegation which had come in November last and which had received so much of publicity that the businessmen in this country had almost started believing that the Americans were head over heels to help us in our efforts to revive the economy from the jolts it had received in the early seven-

ties. They had evinced interest in establishing projects like a joint banking company and an insurance company. Some of them had expressed their desire to collaborate in sheep breeding, poultry farming, or fishing industries. But these are not the fields where we need their assistance or for that matter assistance from any industrialised country of the West. It is the capital intensive fields where we need any assistance from the investors of the world's leading industrial nation. For the purpose this country has been offering powerful incentives and it would be fully justified to expect that as entrepreneurs they should take advantage of the existing favourable conditions. From the entrepreneurs no one expects any charity. An investor puts in his money to get the maximum returns on it. If the US investors sincerely feel that the incentives being offered by this country can ensure such returns, they should invest otherwise

there is no use wasting their own time, money and energy as well as ours.

Commenting on the outcome of the talks which the previous delegation had with the authorities and the investors of this country, we had summed up their visit in one sentence: "They came, they talked and they went away". The way things are being handled now and the nature of talks which the present mission is having here, is nothing but the action replay of the previous delegation. By now the US investors should have made up their minds and produced some tangible results of the talkathons they have been indulging in. As investors they must also realise that time is an important factor and quick and prompt decisions have to be taken. But the behaviour of the US investors is contrary to this norm. They are dilly-dallying. For what? They are keeping the prospective Pakistani investors on tenterhooks or trying to extort some more concessions from the Government for themselves. Whatever may be the case, the present mood of the US investors as far as this country is concerned, can be termed nothing but disappointing. They are rather acting arrogantly which no self-respecting people can tolerate.

We are in need of foreign investment, of course. But we do not want that investment at any cost. We cannot compromise on principles. If the Americans are reluctant, others would come. And, as a matter of fact, several 'others' have already come. A number of projects have not only been set up with their cooperation during the last three or four years, but more are being proposed by them. These projects have started contributing to our production and national wealth. Those investors did not keep their Pakistani counterparts in suspense. They came, they talked and they moved ahead with their investment proposals. Let us search for such partners.

Before we conclude, we would like to repeat what we had said earlier that all foreign investment coming to this country should be carefully watched. The progress of the projects to be set up with the assistance of foreign capital should be reviewed from time to time and the people be kept informed about the progress. It is essential to monitor as to how far the foreign investors are adhering to the terms of the agreements. There should be progressive reduction in their imports and these should be replaced by increasing the local capabilities.

## THEORY OF PROVINCIAL AUTONOMY SUPPORTED

Islamabad THE MUSLIM in English 9 May 82 p 4

[Text]

EARLY last month "Jung" carried the report of an interview in which the President General Zia ul Haq is stated to have said that if circumstances permitted he would like to break the four provinces and in their place establish 53 small provinces, so that the identity of nationalities speaking different languages would be erased from the map of Pakistan. Let me reproduce the Urdu text:

"Agar kabhi hukmat (hazrat den to woh apney aala aqeen nasbul-ain ke mutabiq musafooda soobon ko tor kar un ki jagah tepan (53) chotay soobey qa'im karne parind karey gay taqey Pakistan ke naqshay se mukhtalif zabanon bolney wali qumoon ki shinkhat ko mitaya jakey."

However the President went on to say that now he agrees with the Provincial Autonomy provided in the 1973 Constitution, and not for a moment is he ready to consider any amendments on the lines suggested by Baluch leaders, in which the Centre will cease to have the right to intervene in Provincial matters. He had no sympathy with the idea of four nationalities in Pakistan, and saw the need for a strong and united Pakistan. He believed the federal principle in the 1973 Constitution was liberal and flexible, according to which the Provinces have more authority and power than allowed by other federations like the U.S.A. He described Baluchistan as an extremely important and sensitive region, and any thought of Soviet aggression would cause concern. He however criticised western writers for sensationalizing the situation in Baluchistan, which was very much an integral part of Pakistan.

The question of a strong Centre on the one hand and the pull of the Provinces (or autonomy) on the other has bedevilled the political situation of Pakistan for a long time the centrifugal and centripetal forces operating simultaneously, and quite unnecessarily, in conflict with each other. At the root of the problem lie two factors: ONE, the existence of linguistically and culturally identifiable major disparate ethnic groups in Pakistan, which also have a territorial identity — these are the Pathans, Sindhis, Baluchis and Punjabis; TWO, the fact of one such group, the Punjabis, having an over-all absolute majority over the rest of the three groups. What vitiates the situation further is that in a democratic set-up, a parliamentary majority becomes identified with an ethnic majority. Hence remedies are sought in doing away with the ethnic Provinces — "One Unit" 1955-70 . . . . or to re-structure the territorial boundaries into smaller entities criss-crossing over ethnic, cultural and linguistic factors. The "One Unit"

experiment failed because it was an attempt to fly against the face of ethnic facts, apart from the administrative chaos resulting from the perpetuation of a colonial services system which was highly centralized.

As regards breaking up the country into smaller units, this is what Major-General (Retd) Sher Ali said in his book "The Story of Soldiering and Politics in India and Pakistan" (1978):

"The way to link West Pakistan together was not to create One Unit but 50 units or so. Every district should have become an administrative unit, as in Spain where the size of the province is based on twenty-four hours travel of a mule, which means that an ordinary citizen can reach the centre of



administration to get his problems solved without hardship. Thus the Spaniards inherited from the Moors. This was told to me by General Franco in July 1970 - by the way Turkey which is smaller in area has 60 or so provinces..."

"On my return from Spain, I told Yahya about this conversation and also that if the military regime wanted to do something constructive and everlasting, which could not only save the poor from hardship but also help in the integration

programme, then the Provinces as they stood should be abolished and districts constituted into independent administrative units. It would take away the air of colonial warlordship from the present Governors and make the administration within reach of an ordinary man. All policy-making for the area East and West, could be done centrally and instructions issued accordingly" (Page 292)

"If there is the will to survive as one country, united on the basis of Islamic unity and equality in the common cause of all and one, then it should not be difficult to do this. This can be done in a number of ways, but the one that I would like to see would be to divide the voting areas throughout Pakistan in such a manner that the racial, linguistic and territorial boundaries that are today are broken up. Only then will we achieve a homeland for the Muslims of Pakistan" (Page 335)

If we were to apply General Sher Ali's 'administrative' solution there would have to be 60 to 70 administrative units. However this would not do away with the ethnic (racial, cultural, linguistic) boundaries which would remain in the minds and lives of men, women and children belonging to those ethnic groups; any comparison with Spain or Turkey would be irrelevant, because both these countries are ethnically culturally, and linguistically well integrated already; no single ethnic group predominates over other disparate ethnic groups. Hence their governmental structure is unitary. The "One Unit" sought to brush aside these facts and ended up reinforcing the centrifugal forces. The administrative solution had failed. Restoring the Provinces was one of the good things Yahya Khan did. On the other hand he sought a

"military" solution in East Pakistan and lost it. Later the PPP regime sought a similar "military" solution in Baluchistan, and it cannot be claimed that this policy has succeeded. Indeed the situation is worse though not as bad as writers like Seig Harrison tend to depict.

Pakistan's major problem has been a political one; it cannot be solved in "military" or "administrative" terms. Political problems require a political solution. The Quaid-i-Azam was a political and democratic man. In his mind he had the clearest and most rational and logical picture of Pakistan, and he drew his inspiration from the Lahore Resolution of March 23, 1941.....

"..... that the areas in which the Muslims are numerically in a majority as in the North-Western and Eastern zones of India should be grouped to constitute 'Independent States' in which the constituent units shall be autonomous and sovereign"

By the very nature of its being, Pakistan could only be conceived in terms of a federation, not a unitary entity.

Most of our ills have risen from attempts to impose unitary decisions on a federal body. It is essential to go back to the Quaid-i-Azam and seek inspiration and guidance from his wisdom. The Quaid-i-Azam clearly envisaged a federal structure for Pakistan, with federating units enjoying maximum autonomy. This is what the Quaid had declared:

"THE THEORY OF PAKISTAN GUARANTEES THAT FEDERATING UNITS OF THE NATIONAL GOVERNMENT WOULD HAVE ALL THE AUTONOMY THAT YOU WILL FIND IN THE CONSTITUTIONS OF USA, CANADA, AUSTRALIA BUT CERTAIN VITAL POWERS WILL REMAIN VESTED IN THE CENTRAL GOVERNMENT SUCH AS MONETARY POLICY, NATIONAL DEFENCE AND OTHER FEDERAL RESPONSIBILITIES. EACH FEDERATED STATE OR PROVINCE WOULD HAVE ITS OWN LEGISLATIVE, EXECUTIVE AND JUDICIAL SYSTEMS, EACH OF THE THREE BRANCHES CONSTITUTIONALLY SEPARATE."

DR ISRAR ON WOMEN AND THEIR PROTEST

Lahore THE PAKISTAN TIMES in English 15 May 82 p 3

[Text] Dr Israr Ahmad, Director of the Quran Academy, while appreciating President Zia-ul-Haq's statement about the women's role, has urged him to refer the question to the Council of Islamic Ideology for its expert opinion on the Islamic concept of women's emancipation.

Addressing Friday's congregation at Masjid Darras-Salam, Dr Israr called upon the ulema to give their opinion about the role of women in Islamic society and the extent of women's participation in political, social, cultural, economic and administrative affairs of the country. They should also state the women's rights in the matters of inheritance, marriage, divorce and Quranic injunction about "Pardah."

Referring to Begum Raa'na Liaquat Ali Khan's letter, addressed to President Zia-ul-Haq expressing her fear about future of women in Pakistan and asking for a dialogue, Dr Israr said that Begum Sahiba was not the representative of Pakistani women. She represented APWA which was a social organisation dependent upon Government grants. She was not competent to ask for a dialogue with the Government on the role of women in Pakistan. He said that no one could allow Begum Liaquat Ali Khan or others to distort Islamic tenets about women in any dialogue with the authorities.

He also denied the impression given by a newspaper that he had resigned from Majlis-i-Shoora because of the controversy over his stand on women's role in Islam. He said that his resignation had nothing to do with the controversy or protest by a handful of Westernised women.

CSO: 4220/14



## PRIVILEGED EXPATRIOT CLASS RESENTED

Lahore THE PAKISTAN TIMES in English 21 May 82 p 6

[Text]

Time and again, our metropolitan cities announce housing schemes for overseas Pakistanis. These schemes are all short of thoughtful planning inasmuch as difficulties and circumstances of overseas Pakistanis are not fully kept in view. There is common thinking in Pakistan that those who go abroad find gold and money on trees and they can, therefore, be asked to pay instalments in shortest possible time.

For example, in a recent scheme of the Karachi Development Authority for overseas Pakistanis, the price of a 2,100 square feet Gulistan-i-Jauhar bungalow is stated as Rs. 4,75,000. The payment has to be made thus: 10% with application; 10% on allocation (to be paid within three months); and 80% to be paid in eight instalments within 24 months (meaning 10% instalment within three months).

Now 10% of the cost comes to Rs. 47,500 (\$4,750 or £2,400 approximately). In other words, the allottees have to find £2,500 every three months or else KDA bureaucrats will

forfeit the amounts previously paid and cancel the allotment.

A survey of overseas Pakistanis' annual earnings will show the average income per person per year to be £6,000. After meeting household expenses, educating and clothing children, maintaining car or paying transport costs and, above all, meeting mortgage instalment or paying rent for his house, no Pakistani living in Britain or the U.S. can meet the three-month ultimatum for payment within 24 months' time.

Further, it appears that such schemes are meant not for an average Pakistani working abroad but for those highly paid professionals for whom money is of secondary importance. Reduced in simple terms, the Pakistani housing authorities want to create not a mixed society, but a society in which the privileged can maintain their aloofness, a society Westernised and alien to Islam.—ABDUL SHAKOOR BORA, 5-Navestock Crescent, Woodford Green, Essex, IG8 7 AX, Britain.

CSO: 4220/26

PRESS ORGAN DEMANDS PROBE OF STUDENT VANDALISM IN LAHORE

Karachi JASARAT in Urdu 27 Apr 82 p 3

[Editorial: "Justice Demands Judicial Enquiry"]

[Text] The executive committee of the All-Pakistan Newspaper Society [APNS] passed a resolution Saturday expressing regret over the vandalizing of the offices of Lahore newspapers by the Islami Jamiat-e Talaba demonstrators and declared Sunday a "national day of protest." The resolution also appealed to the federal government to hold an impartial enquiry so that individuals found guilty of vandalizing the offices of NAWA-E WAQT and JANG would be properly punished. It also asked that an investigation be held into the reason why law enforcement authorities in Lahore were unsuccessful in maintaining law and order.

The newspaper JANG asked the governor of Punjab in its editorial of 25 April to "order a judicial investigation of the incident to find out why and how it happened."

The demand of the APNS executive committee was speedily acted on, and according to STAR's report, "after a speedy hearing by two military tribunals in Lahor, 12 members of the Jamiat-e Talaba were each sentenced to a year in jail with hard labor and 15,000 rupees fine." The newspaper also reports that an additional 47 members of the Jamiat will also be brought before military courts in the next few days. In this matter, the law acted with lightning speed; and we would be glad to see similar speedy action by the law in matters of national importance and those concerning right and justice.

We strongly demand that the federal and provincial governments act as speedily and seriously on the appeal for "immediate and impartial investigation." In view of the importance and gravity of the matter, the investigation should be on the level of the Supreme Court or at least the High Court, and the enquiry should cover the entire incident--its causes and results. For example:

1. What was the date and nature of the incident that happened at the Lahore airport?
2. Who was the police officer who told newspaper reporters the next day to refer to ASF [Airport Security Force]? Who were the reporters, and what were their newspaper affiliations?

3. At whose insistence did ASF issue a press release, and what was its content?
4. The reporters and employees of which newspapers added fictitious material to it?
5. After being informed of the press release, a Jamiat delegation went to the newspaper offices and informed responsible officials of the facts. Who offered the excuse, "We might publish the truth, but would not another newspaper make a drama out of the incident?"
6. Why was this false news item published in the late edition of Jang, Lahore, in eight column headlines, and who was responsible for it?
7. How were the protesting students treated at the offices of these newspapers, and which newspaper's senior employee cursed a dead political leader in front of the demonstrators?
8. What role did the present competition among the major Lahore newspapers play in this incident?
9. Who was responsible from the very beginning for the conspiracy to present the incident in an exaggerated manner; and what secret objectives were they trying to achieve by their campaign of character assassination against the Jamiat-e Talaba?
10. Was not the next day's exaggerated news of attacks on offices an attempt to cover up the initial mistake?
11. The fear expressed in Jang's editorial "There must be an influential person or organization behind the incidents of vandalism" should also be investigated.

Only after an investigation and analysis of all these matters, causes and factors will it be possible to determine the roles played by the leaders of Jamiat-e Talaba, ASF, the police, newspaper reporters, editors and managers and the demonstrating vandals and find out who is responsible for what. When responsibility is determined, then punishment would also have to be meted out accordingly. Can we expect the federal and provincial governments to satisfy this basic and necessary demand for justice in the APNS appeal?

9863

CSO: 4203/121

POLICE ACTION AGAINST STUDENTS IN LAHORE DEPLORED

Karachi JASARAT in Urdu 3 May 82 p 2

[Text] Thursday in Lahore was the worst day for police activity against students. A large band of policemen led by their SP and without prior permission from the magistrate on duty or the principal, broke down the doors of M.A.O. College and rushed in. They proceeded to treat the college students, teachers and employees with a cruelty and violence unparalleled in present times. Their behavior certainly revived memories of police activity during the Bhutto administration. A number of M.A.O. College students were shouting slogans on the college grounds in support of the release of their companions when a large contingent of police broke down the closed iron doors, rushed in and started a wild charge with their cudgels. Tear gas was used recklessly, and the police attacked two adjoining hostels as well. Doors and windows were smashed; watches and money belonging to the student boarders were snatched away. The police also entered a professor's house and forcibly took the women's gold jewelry and insulted them. The police forced their way into the principal's house, beat up the servant's and cursed the house residents. Not only students but 3 teachers and 11 clerks were also beaten up. This police terrorism and vandalism continued for 2 hours in M.A.O. College and its hostels. About 200 students were arrested. The police demonstrated such violence and cruelty that women waiting at a bus stop near the college broke into tears.

The round of arrests and punishment began last week, after students vandalized a newspaper office. Students demonstrated against this in several cities, especially Lahore, and clashed with the police. The police have tried with all their power to crush protest demonstrations; but what happened Thursday at M.A.O. College is the worst example of police brutality and barbarism. There can be no excuse for police action against students shouting slogans on college grounds behind closed iron doors. The majority of the students were engaged in taking examinations. What was the crime of the college teachers, their families, the employees and students busy with their studies in hostels that their houses and hostels were broken into and they themselves subjected to violence? Who gave the police permission to steal jewelry and money?

It seems to us that a faction within the administration is trying to worsen the situation by a series of violent and oppressive acts, and by preparing

the ground for clashes between the students and the government, wants to achieve its own sinister objectives. Now that the differences between the newspapers and Islami Jamiat-e Talaba have been settled, conditions should be allowed to return to normal, and the police should be prevented from provocative activities that will only create trouble. Lahore newspapers, especially those that were involved in the incident, should help restore normal conditions.

Since the interests of the country and its law and order are involved, we would like to advise President Zia and Punjab's governor, Lieutenant General Jilani, to pay special and speedy attention to the recent incidents in Lahore. They should stop individuals in the administration from oppressive actions; they are not only taking advantage of recent incidents their enmity against the Islami Jamiat-e Talaba but are also creating great problems for the government by worsening the situation. Violence against the students should be stopped, and all those students who have been arrested and given various sentences should be released.

9863

CSO: 4203/121



## SCHOOLS NOT TO BE DENATIONALIZED--SIND GOVERNOR

Karachi BUSINESS RECORDER in English 21 May 82 p 1

[Text]

Li-Gen S. M. Abbasi Governor of Sind, yesterday reiterated that it was not possible to return nationalised schools to their original owners, and government policy in this respect would continue unchanged.

Speaking on the third day and last day of the current session of the Provincial Council of Sind yesterday, he said the Martial Law Regulation (No. 113) under which educational institutions were nationalised by the previous government had been framed in such a way that unless it was amended there was no possibility of returning them to their former owners.

He said many groups wanted community schools to be denationalised, but no exceptions could be made in the present set-up.

He said if even a few schools were denationalised an upward might break out throughout the country, and it would be taken as a sign that the government intended to return all nationalised educational institutions to their previous owners.

Besides, he continued, the teachers did not want to go back to the pre-nationalisation set-up, and would resist any moves in this direction.

Li-Gen Abbasi noted that due to nationalisation, government expenditures on the education sector had soared immensely, and this increased outlay was straining the resources of the official exchequer to the breaking point.

The Governor's comments came during the continuing open depart-

ment-wise discussion on the draft budget and new Annual Development Plan (ADP) provisions for the coming 1982-83 financial year.

The proceedings of the Provincial Council began at 9 a.m. as usual with Tilawat from the Holy Quran. The members began the open discussion by giving their views first on the new budgetary and ADP provisions regarding the education and agriculture sectors.

Winding up the three-day session which discussed in detail both the development and non-development proposals for the next year's budget, the Sind Governor said that suggestions given by the members during the session will be considered by the concerned department followed by assessment by the planning and department which will formulate revised ADP.

The proposed ADP, he said, will then be discussed and approved by the provincial cabinet.

In the non-development sector, the Governor said, the priorities will be the same as in the current financial year which focuses attention on repairs of school and hospital buildings, strengthening of the police force with better facilities of equipment.

He said that the practice of considering budget by the provincial council was useful as it helped reflect the aspirations of the people.

He adjourned the three-day session with the remark that it was very useful session in which all the members usefully participated.

## CUMBERSOME ADMINISTRATIVE MACHINERY CRITICIZED

Karachi BUSINESS RECORDER in English 22 May 82 p 2

[Text]

According to a press report, Punjab Governor Ghulam Jilani Khan has brought our attention to bear once again upon the problems created by the continued existence of a thoroughly anachronistic administrative machinery. The Governor had called a meeting of the heads of departments to devise ways and means for the simplification of official procedures. The meeting was intended, it is said, to streamline office routine so that public is not inconvenienced unnecessarily and work is done without loss of time. The Punjab Governor was naturally concerned about the provincial secretariat. But it is to be recognised that it is merely a sample of what the entire governmental machinery is like everywhere, and certainly a provincial secretariat is not the worst sample either.

We find that the malady which is the cause of inefficiency is really too fundamental to be treated in terms of this improvement or that. What is really at the bottom of it is

that the existing administrative machinery is the creation of the British who purposely strove to pattern it so that it would never be a means of promoting native interests. Its primary function was to collect revenue and maintain law and order. The bureaucracy was trained to have contempt for every thing national and to keep away from the local people and their problems. The rules and regulations were so framed as to serve the interests of the metropolitan country. ....

As a result of this, the whole outlook of the bureaucracy its procedures and administrative system are suitable only for collecting revenue and a maintaining an almost strangling hold over the business and trade. It certainly cannot come up ever to the requirements of a developing economy of an independent country. The founding fathers had promised to restructure the administrative machinery in a way that it served the best interests of an inde-



pendent country. But the pity is that before they could get to the job the Father of the Nation expired and his deputy was assassinated and after him the bureaucracy became the virtual ruler to this country with the result that the much promised transformation would never to come. The old system of administration, legacy from alien masters, was further strengthened.

Today the condition is that even the simplest of matters that a citizen may have to settle with a particular department is not solved until he has made numerous 'rips to the office concerned and spent weeks and months in chasing the file from person to person and table to table. It is a fact that no question is solved automatically, however urgent or important it may be. It is taken for granted that a case lying with any of the official agencies cannot be automatically attended to. It is considered the duty of the applicant to run, remind and pursue the matter constantly, only then something might happen, and that too not in time. The overbearing attitude of a public functionary is enough to remind that what

is a duty on his part is now considered a favour to run after.

Not only that, the procedures have become circuitous and cumbersome in the extreme with the passage of time. This helps the work shirker and the corrupt who cause delay. The decision making process is very lengthy as a paper has to pass through a chain of functionaries both vertically and horizontally. A lot of time is thus consumed and by the time the decision is taken the whole context gets changed and the whole project loses its relevance. At times it so happens that because the final authority is not available the decision is indefinitely delayed. Development dictates decentralisation of decision making so that work does not stop and time is not consumed unnecessarily.

Another thing that causes great inconvenience and delay is that too much paper work is required to be done. Thousands of forms are to be filled and numerous formalities are to be observed. And instead of their number being reduced it is being increased without let or hindrance. It has become almost impossible for a common

citizen to keep count of them with the result that he is forced to find some short cut to all this and the corrupt among the functionaries take full advantage of it.

Quite obviously the main thing to note here is that in our country, the whole mentality in which any given administrative unit is conceived and run is itself fundamentally wrong. We have to change, therefore, this mentality. We have to reconceive our administrative machinery by thinking out anew our requirements and then plan it accordingly. Like any machine, the administrative machine also is not something neutral between all ends. It can do only that which it is designed to do. Since we are now independent, and our aim is the progress of our people and our country, which is a radically different aim to the one which the British had in India when they planned the administration, therefore, it stands to reason that we can achieve our new aim only when we create a new and appropriate administrative set-up. The present one will not and indeed cannot suffice. It must be broken up completely and rebuilt afresh.

## SOOMRO ON WAYS TO IMPROVE ECONOMIC TIES

Karachi BUSINESS RECORDER in English 22 May 82 p 1

[Text]

Federal Industries Minister Ehsai Bakhsh Soomro returned to Karachi yesterday from London on the conclusion of a two-week long tour during which he discussed matters relating to economic cooperation and industrial development in Turkey, Austria and England.

In an interview with Radio Pakistan, Soomro said his visit to Turkey was undertaken as a follow-up to the Islamic Industries ministers' conference in Islamabad earlier this year, at which it was agreed to increase economic cooperation among all Muslim countries.

Ways and means for further improving economic relations and trade between Pakistan and Turkey were discussed with the Turkish officials, he added.

Soomro said during his visit to Austria he reviewed progress of work on a couple of projects being established in Pakistan with Austrian assistance. They are a fertiliser plant and a pharmaceutical factory.

The minister said Austrian officials indicated their willingness to extend more aid to Pak-

istan in order to help the industrialisation process there.

He said in Vienna, he visited the Headquarters of the United Nations Industrial Development Organisation (UNIDO) and met its Chief Executive Director.

UNIDO assistance for Pakistan will be discussed in detail during the forthcoming visit here of a director of this UN agency towards the end of this month.

Soomro said in London he met the British Industries Minister, representatives of the UK-Pakistan Association, British Chamber of Commerce and Industry and top officials of British firms with investment in Pakistan.

He said the British officials expressed readiness to help in the setting up of agro-based industries in Pakistan, and also encourage joint venture undertakings here.

He stated that the representatives of British firms said that investment climate in Pakistan was favourable, and they would consider what types of other projects they could launch in this country.—APP.

CSO: 4220/28

ARMS FOR VILLAGERS NEAR BALUCHISTAN BORDER

Karachi DAWN in English 22 May 82 p 4

[Text] LARKANA, May 21--The Government will provide licences, arms and ammunition for the self-defence village scheme to the deserving people living near the borders of Baluchistan and hills, where culprits operate frequently.

The Divisional Commissioner, Sukkur, Syed Mohibullah Shah said in an open kutchery here at Warah recently that these facilities would be extended to people of good character who could help eliminate the menace of antisocial elements.

Observing that incidents of crimes had declined, he, however, asked people to be vigilant.

He also gave an assurance that the girls school Warah, would be upgraded.

He asked people to give education to girls, and said local councillors could play a vital role in this regard.

Earlier, Syed Mohibullah Shah visited the Police Station, Warah, where he was shown the record of property of Gaji Khahawar robbery.

He also inspected the rural health centre and gave an assurance for providing more medicines and facilities for the patients.

Later, the Commissioner visited Boys' Primary School, Warah, and donated six water-coolers to the school.

CSO: 4220/28

MRD STAND ON PROVINCIAL AUTONOMY CRITICIZED

Karachi DAWN in English 22 May 82 p 12

[Text]

The future elected government will try to remove any further grievances of the federating units and, if necessary, will amend the 1973 Constitution according to law.

This assurance came in a policy statement issued yesterday by Mr. Nafees Siddiqi on behalf of Mrs. Nusrat Bhutto, the MrD convener for this month, by way of a rejoinder to a recent statement of Mr. Ghous Bakhsh Bizenjo, chief of the defunct Pakistan National Party.

The MrD statement said the question of autonomy of the federating units relates to the quantum of the autonomy and envisaged in the 1973 Constitution the safeguard of its continuity as well.

However, it added that until the "democratic and political process" was not restored, the rights of the four federating units could not be achieved. "There is no doubt", it conceded, "that the rights enshrined in the 1973 Constitution have not been implemented and, consequently, a sense of frustration has been created, particularly in the smaller provinces".

The statement said the MrD was fully aware of the situation and "gives a solemn pledge that when it comes to power it will ensure that the letter and spirit of the Constitution was adhered to". However, it pointed out that under the 1973 Constitution, the subjects of common interest and concurrent subjects would automatically lapse after a period of 10 years.

## PAKISTAN PROPOSAL FOR ISLAMIC BANKS ACCEPTED

Karachi BUSINESS RECORDER in English 22 May 82 p 1

[Text]

ISTANBUL, May 21: Pakistan's proposal to form a group of commercial banks of all the Muslim states represented on the Organisation of Islamic Conference (OIC) was unanimously accepted at the meetings of the OIC member bankers held here yesterday.

The proposal came in a resolution moved by Pakistani delegate at the meeting, M. A. Farouqui, member, Pakistan Banking Council.

The name of the proposed group would be decided later. The Pakistani delegate suggested that all the OIC member banks should form a group on the lines of the group of European banks, like ABBEOR (Associated Bank of Europe) or the inter alpha group.

Such a group, he said, would initially envisage only a joint secretariat and an executive committee where representatives of the banks could meet regularly to discuss ideas and exchange information.

The formation of the group of member banks, Farouqui said, would help promote cooperation amongst members, foster banking relationship and promote equity participation. This would also provide for arbitration in the settlement of disputes arising out of banking transactions.

The fifth meeting of the governors of central banks and monetary authorities of the OIC

member states opened today was preceded by the OIC member bankers meeting.

The Secretary-General of the Organisation of Islamic Conference, Habib Chatti, today stressed the need for evolving a system of cooperation among Islamic states based on the optimum use of their manpower, technological and financial resources.

In a speech at the evening session, Chatti said the Islamic states were affected negatively by the overall slump in the world economy. The economic difficulties of the development countries among which are the OIC member-states had mounted as was reflected by their increased debt burdens and balance of payment deficits, poor export performance and lachrymic growth, Chatti said.

The Secretary-General referred to the efforts of the OIC and said tangible progress had been made in developing cooperation among member-states in all fields.

Turkish Finance Minister Kaya Ersoy gave a call for closer cooperation among Muslim nations.

Ersoy told bankers from 30 countries that the global recession and its adverse effects, particularly on developing countries, made such cooperation imperative.

Egypt and Afghanistan are not attending the conference which is to be followed by a two-day meeting of the Islamic Development Bank.

Foreign ministers and senior politicians from numerous Islamic nations are expected here for the development bank conference, which will be opened on Monday by Turkish President General Kenan Evren.

## KARAKORAM HIGHWAY'S DETERIORATION DESCRIBED

Islamabad THE MUSLIM in English 13 May 82 p 4

[Text]

I RECENTLY travelled to Gilgit and Hunza on the Karakoram Highway; sadly, this 'highway' is rapidly becoming the national scandal of the 80s. The traveller is continually reminded of the greatness of this achievement of Chinese and Pakistani workers - 400 died in constructing this road over what is arguably the most difficult terrain faced by engineers anywhere in the world. The result was an excellent, metalled two-lane highway. However, now, four years after its official opening, the road presents an appearance of total disaster: there is not a single mile of the road, except for a five-mile stretch near Chilas, where there are not large pot holes, and myriad stretches where the road surface for upto 100 yards has disappeared completely. One knows also the stock excuses put forward by those responsible for the maintenance of the road: landslides, shifting rocks, etc. However, it is also quite apparent that the major damage to the road is not from landslides, rockfalls, etc., but from natural

wear and tear of the road surface, which has never been repaired. One is used to shoddy work from public organisations in Pakistan, but here one is talking about a total absence of any work - in continuous drives from Thakot to Gilgit and back on working days, I saw not one road repair gang en route.

With all that one hears from the present Government about accountability, one is entitled to enquire as to what is happening to the vast sums of money being paid to the concerned organisation; at the present rate there will be no Karakoram Highway in another year. The Pakistani taxpayer, otherwise disenfranchised, has a right to some answers on his own behalf and that of the 400 who died building this road. It is apparent that, at the very least, there is gross incompetence, and, at most, culpable greed and sloth, responsible for the destruction through neglect of this once-excellent road. - N.K. BURKI, 26, Street 56, F-7/4, Islamabad.

CSO: 4220/13



COHERENT, REALISTIC POLICY ON BALUCHISTAN URGED

Islamabad THE MUSLIM in English 13 May 82 p 4

[Editorial: "Bringing Baluch Into National Mainstream"]

[Text]

AT the conclusion of his recent tour to Baluchistan, the President said that the sense of deprivation among the people of Baluchistan, which was wide-spread in the past, had now been replaced with a sense of participation in the progress of the country. A similar statement was recently made by the Federal Minister for Communications who also belongs to Baluchistan Province. If this happens to be the case, it will be a major step forward in bringing the Baluch people into the national mainstream.

Unfortunately, Baluchistan has been one of the most neglected and down-trodden regions of Pakistan, which has suffered from apathy and repression. The people there have been subjected to manipulation by an outmoded tribal system of governance, plus facing successive governments which have controlled Baluch destinies by remote control. The result is an understandable feeling of resentment and deprivation. It goes to the credit of the Government that it has handled Baluch sensitivities with considerable skill and ensured that political and economic problems are not tackled by use of force. But whatever has been done is clearly not enough to placate the restive Baluch population and its somewhat militant leadership. There is almost a total absence of Baluch representation in the corridors of power, either in Quetta or in Islamabad. Thirty five years after independence, it is still a rarity to find a Baluch civil servant. Even today Baluchistan remains the only province where a cabinet is not functioning.

The important thing to understand in this context is that the genuine grievances of the Baluch should not be treated as something which border on treason or subversion. For too long, the Baluch have been at the receiving end of policies, framed by distant policy-makers who had their own axe to grind and whose interest in Baluchistan's uplift was minimal. Force was used in 1958, 1962, 1968 and in 1973 the first elected government of Baluchistan was ousted by executive fiat on flimsy grounds. The immediate result of that blunder was the insurgency which continued for four years. But a deeper and dangerous consequence of that decision was to inculcate in the Baluch consciousness a feeling of mistrust because the sanctity of the 1973 Constitution had been violated. It is



precisely on account of such myopic policies that the Baluch leadership remains outside the national consensus on the 1973 Constitution. The official attitude towards Baluchistan has been, perhaps unwittingly, paternalistic in that it is a sort of "we are giving to them" approach. Such thinking needs to be discarded and a more realistic policy formulated where Baluch aspirations should be accommodated in a broader national framework. Mere building of roads and promotion of development projects is not enough. The people must be given a sense of political participation in running their own affairs so that they are less susceptible to outside manipulation. Such manipulation is already underway in various forms because of the strategic location of Baluchistan vis-a-vis the two Super-Powers jockeying for influence. While the Soviet Red Army is in full strength next door in Afghanistan, Americans, through their academics and journalists, are busy in preparation of policy-oriented studies intended to provide "options" for decision makers in Washington. But the designs of the Super-Powers can only succeed if we fail to evolve coherent and correct policies that treat the Baluch as an integral element of the national body politic rather than neglected step-children far-away from the national mainstream. Such policies require bold decisions, imaginative thinking and the ability to grasp realities.

CSO: 4220/13

# DECISION TO BUILD SOPHISTICATED WHEAT GODOWNS

Karachi BUSINESS RECORDER in English 21 May 82 p 6

[Text]

LAHORE, May 20: The government has decided not to construct in future house-type storage godowns in view of the changing climatic conditions in the country.

The godowns to be built in future will be very sophisticated, equipped to evaporate moisture from the grain and the surroundings.

This was stated by Vice-Admiral Mohammad Fazil Janjua, Federal Minister for Food and Agriculture, during his meeting with the Punjab Food Minister, Sardar Rafique Haider Leghari, provincial secretaries for Food and Agriculture, food technologists and agricultural scientists especially convened to consider the effect of rains on wheat and its procurement.

The minister said attractive terms would be offered to the private sector to attract their involvement in godowns' construction. Storage rates per square feet in these godowns were likely to be revised, he indicated.

The minister was told that the

recent rains had no serious effect on wheat and that the superficial black spot on an end of the grain or slight discolouring did not change its qualities nor had it rendered wheat harmful for human consumption or unsuitable for storage.

He was told that the only point of concern was the heavy moisture content in the grain which could be eliminated by drying the wheat before storage.

The minister said the government would procure all the wheat, even effected by rain, without any objection.

The minister directed the provincial food department to exercise special care in procuring wheat seed, and added that wheat seed should not be procured from the rain affected areas at any cost.

He directed the provincial authorities to ask the growers to dry wheat before bringing the same to procurement centres and also to take necessary preventive measures to save wheat from any kind of disease while in godowns.

CSO: 4220/26

## EDIBLE OIL WORTH 650 MILLION RUPEES TO BE PRODUCED

Karachi BUSINESS RECORDER in English 22 May 82 p 1

[Text]

FAISALABAD, May 21: Federal Government is making concerted efforts to encourage oilseeds cultivation, it is expected that country will be producing edible oil worth Rs. 65 crore annually during the next five years to save a lot of foreign exchange.

At present the country is importing edible oil worth Rs. 300 crore annually, an oilseed expert said here today.

He said three oilseed crop varieties, namely sunflower, soyabean and safflower, are being cultivated. Punjab has taken the lead in producing the maximum oilseeds. The government has already motivated the farmers to cultivate new varieties particularly in Barani areas where the gram crop mostly fail due to unfavourable weather conditions. This year, he said, hardly 30 per cent of gram crop has been harvested while the rest damaged by blight and other factors.

He said the three oilseed varieties are more beneficial and economical and government is very keen to cultivate these seed over a maximum area.

He said the safflower is the latest variety, which has about 30 per cent oil content and is disease resistant. It was recommended for sowing in the Barani areas, and it was cultivated over an area

of 8,376 acres in the current year. According to a survey, the crop is in excellent condition despite unusual rains and hail-storms.

An oilseed crop expert of Ghee Corporation of Pakistan, Multan region, who has been specially assigned the project of oilseeds in Punjab, said that five centres have been recently set up in Sargodha zone for the popularisation of safflower in Jauharabad, Quaidabad, Liaquatabad, Mianwali and Bhakkar district. These centres are providing seed and purchasing the oilseeds from farmers at government rates.

They also extend free consultation to cultivators. The Corporation plans to cultivate this new variety of oilseed over an area of about 30,000 acres during the next year, he added.

He said the oilseeds, sunflower, soyabean and safflower, are being cultivated over an area of one lakh acre during the current season and edible oil worth Rs. 1.65 crore is expected to be produced from them.

It is stated that a soyabean milk and soyabean meat plant is very shortly be set up at Karachi in the private sector. The milk would be a good beverage and cheaper than the Coke or other soft drinks.

EXPORT PROMOTION BOARD DISCUSSES COTTON CRISIS

Karachi DAWN in English 22 May 82 p 1

[Text]

LABORE, May 21: The Federal Government has decided to deal with the cotton crisis at a higher level and devise ways for the timely supply of sufficient amount of cotton to the local textile industries.

The shortage of cotton has threatened closure of more textile units in the country.

Knowledgeable sources said a meeting of the Federal Export Promotion Board (FEPB) in Islamabad on Tuesday will discuss the problem in detail.

The chairman of the Board, President Zia-ul-Haq has given specific instructions to the officials concerned for the preparation of a working paper on the availability, shortfall, and demand of cotton to be considered at the Board meeting.

The Chairman of the All-Pakistan Textile Mills Association, Mr Aftab, has been invited to attend the meeting. Representatives of the Cotton Export

Corporation (CEC) will also be present at the meeting.

The CEC has fixed a target of 17 lakh bales of cotton for export this year. In this connection it has procured cotton from the open market on the prices higher than fixed by the Government.

The demand of textile mills for the current season has been estimated at 30 lakh to 32 lakh bales whereas the crop output has been estimated at 40 lakh to 41 lakh bales.

With a carryover stock of three lakh to four lakh bales there would be shortfall of at least 10 lakh bales.

The CEC wants to fulfil its business contracts whereas APTMA wants full supply against their demand.

CSO: 4220/28

PAPER NOTES MUSLIM COOPERATION

GF011820 Karachi MASHRIQ in Urdu 24 May 82 p 3

[Editorial: "The Economic Cooperation of the Islamic World"]

[Excerpt] Habib Chatti, the secretary general of the Islamic conference, addressing governors of banks and financial organizations in Muslim countries, has stressed the need for forging a financial system among the Muslim countries under which these countries could make greater use of their manpower and technical resources. Habib Chatti said that the current worldwide recession has very much affected the developing countries and that it was evident from their increased indebtedness, adverse balance of payments and limited output of exports.

The only way to save the Islamic economies from this increasing pressure is through better exploitation of the manpower, technical and financial resources of the Islamic countries thereby increasing production and resulting in increased income. This requires solid and practical cooperation between Muslim countries. It is a matter of pleasure to note that the movement for economic cooperation among Muslim countries on various levels has been already started under the Islamic conference. Several important meetings were held last year with this objective in sight. Among these the meeting of Islamic agriculture ministers held in Turkey in October 1981 was of much importance. Another such meeting was held in Pakistan during February of this year at which several recommendations were made regarding mutual cooperation. Several experts meetings have been also convened by the Muslim conference and decisions have been made to make the cooperation feasible and practical.

The fifth session of the economic cooperation committee of the Islamic conference has made important progress. This session aimed at developing economic and banking cooperation among the member countries in various departments. The session, which included 39 member countries, adopted a Pakistani proposal on setting up a joint group of Islamic banks similar to the associated banks of Europe. The group will have a common secretariat and an executive committee which would help exchange of useful information on financial matters between the member countries.

CSO: 4203/132

# PAGARA BLAMED FOR MUSLIM LEAGUE DISUNITY

Islamabad THE MUSLIM in English 11 May 82 p 1

[Article by Asaf Sheikh]

[Text]

LAHORE, May. 10: Justice (Retd) Chaudhry Mohammad Siddique, Vice-President and Major Ejaz Ahmad Khan, President Punjab Muslim League (Khairuddin Group) have accused Pir Sahib of Pagara Sharif of using the party platform for personal motives. They said it was because of this fact that the party lacked discipline.

Addressing a joint Press conference here today, they said, that despite their best efforts, to bring the Muslim League on one platform, nothing positive was in sight because of irresponsible and childish attitude of Pir Sahib.

Major Ejaz said a number of statements had appeared in the Press in the name of Pir Sahib, but they had refrained from giving any reply to these statements as it was thought that the unity of League was very essential. These statements, he said, had not only lowered the prestige of Pakistan Muslim League, but it also made mockery of politicians. Therefore, he said, his party was of the view that Pir Sahib was not capable of heading any political party.

Maj. Ejaz said in mid March Khawaja Khairuddin and Malik

Qasim met Pir Sahib in Karachi at a dinner where the question of merger also came up for discussion. Both said that they had no desire of having any office in the party but they made it clear that the way Pir Sahib was running the party it could not make it a viable organisation.

Maj. Ejaz said statements of Pir Sahib contained lot of doubts in the minds of people about Pir Sahib, which was not a good sign for the party at all.

In the Karachi meeting, Maj. Ejaz said, it was agreed that none would issue statements against the other or cast aspersions and that there would be no bargaining with the government, but Pir Sahib started bargaining with the government and did not honour the decisions taken at the meeting. He said it was now very clear that Pir Sahib wanted a share in the government in one form or the other.

PPI Adds: Maj. Ejaz said they wanted re-unification on the PML from the core of their heart, but contradictory and ridiculous statements being issued by Pir Sahib against the leaders of PML (Khawaja Khairuddin group) had proved that he was not interested in forging unity among the PML factions.

In response to a question he ruled out any possibility of restoration of negotiations between the two factions.

**IBRD TEAM MEETS WAPDA CHIEF**

Lahore THE PAKISTAN TIMES in English 21 May 82 p 5

[Text]

A high powered World Bank team on Thursday discussed the future lending programme of the bank up to 1985 the development of Pakistan's water resources in a meeting with the Chairman of Water and Power Development Authority (WAPDA), Maj-Gen. Ghulam Saldar Butt.

The discussion with the World Bank team, being led by Mr. Warren D. Fairchild, centred around three approved and six proposed projects. The projects located in the Punjab, Sind and Baluchistan, included on-farm water management, command water management, irrigation rehabilitation, scar transition and rural electrification to give the farmers an incentive to instal tubewells in the private sector.

The World Bank team discussed WAPDA's role in planning, monitoring and evaluation of the three approved projects, including the on-farm water management, irrigation system rehabilitation and Baluchistan minor irrigation and agricultural development projects. The World Bank assistance for the maintenance of Turbela Dam also came under discussion.

Later, Mr. Fairchild said the World Bank was keen to provide financing for all these projects according to the bank's lending schedule. Senior WAPDA officials in the Water and Planning Sections also participated in the discussion.



# SOLID MEASURES FOR LAW AND ORDER URGED

Lahore THE PAKISTAN TIMES in English 21 May 82 p 6

[Editorial: "Law and Order"]

[Text]

A high-level meeting was held in Rawalpindi on Wednesday to undertake a general review of the law and order situation in the country. It was presided over by President Zia-ul-Haq and attended by the Federal Interior Minister, the Interior Secretary and the Provincial Home Secretaries and police chiefs. The conference is said to have noted with satisfaction the state of law and order in the country and considered steps to further improve it. It must be said to the credit of the present Government that it has tackled the problem with firmness—and a great deal of success—with the result that the average citizen feels more secure and can sleep much more peacefully than he did in the past. There is no political use of the police force today, and it is now allowed to concentrate all its energy and attention on combating routine criminal behaviour. Barring stray cases, police have generally successfully traced and smashed notorious criminal rackets. The gangs of dacoits who were active in Lahore and other

major cities some two years back have all been tracked down one by one and brought to justice. Terrorist activities too have been put down with a heavy hand and the saboteurs trying to destabilise the country at the behest of their foreign masters have been arrested.

To say all this is, however, not to deny that areas of weakness remain and there is still room for improvement. There are many inadequacies in the police organisation which are manifested in its day-to-day working. Crime cannot be totally banished except perhaps in an Utopian society; the graph keeps curving up and down depending upon a host of complex factors including police alertness and activities of the criminal underworld. The basic issue in this regard is that of a balanced relationship between police and the public which alone can provide a long-term answer to the problem of crime. For, as President Zia-ul-Haq rightly observed in his speech at Nowshera a few days ago, fighting crime is not

the duty of police alone but the responsibility of society as a whole. That society is best adjusted to deal with deviant behaviour in which the crime-fighting machinery is well integrated with the citizenry. Unfortunately, our society lacks such harmony. The image of police as a persecutor has been inherited from the colonial days which has but little changed even after 35 years of Independence. There can be no more eloquent commentary on the public attitude towards police than that the average man is afraid to approach it although the agency in theory exists for his protection. The problem can be traced to our persistence with the old training and organisational methods which were devised with a particular end in view: to instil fear of Authority in the public mind. In a free society the role of police needed to be re-defined as that of a friend and servant of the people, but the task of re-

orientation never received the attention it deserved. Against this background, much more important than the issue of enhancement of pay-scales and physical facilities is the aspect of re-education of the police force if we want to turn it into one befitting an Islamic society. The training courses and methods must be re-cast to produce a new policeman, one who is not only aware of his professional duty towards his fellowmen but also recognises the special responsibilities that Islam enjoins on the upholder of the rule of law. Such a policeman, dedicated to the defence of the citizen instead of looking for opportunities to supplement his income, will inspire confidence among the public as well as command respect in society. In that case keeping law and order becomes a co-operative venture between police and the public than which there can be no better way to ensure the stability of the social order.

# MILITARY'S CIVILIAN ROLE DISCUSSED

Lahore THE PAKISTAN TIMES in English 21 May 82 p 6

[Article by Z. A. Suleri]

[Text]

Although much public attention has been focused on President Zia-ul-Haq's statement that the Armed Forces should have a role in the governance of the country, not enough notice has been taken of his declaration about the imperative necessity of enforcing a Constitution. Actually Constitution has been the main problem of Pakistan. First eight precious years were wasted in tinkering with the mandate of Constitution-making. They were precious because they were enveloped in the glow of a climate of freedom feeling aroused by a deep sense of one, indivisible nationhood. And with their lapse was lost an opportunity to provide a Constitution in terms of the true values of the Pakistan Movement. The non-existence of such a bulwark opened the flood-gates of all kinds of ideological and territorial dissensions. The 1956 Constitution-makers were not blessed with that advantage and consequently their product was a patch-work of compro-

mises. The Ayub Constitution was of course far removed from the national genesis. Based on the concept of one-man rule, not only did it defy the right of self-determination which accrued to the independence struggle, it also militated against the dictates of geography. In so far it appeared that power resided in one part against the interests of the other. The 1973 Constitution was plain phoney. For, while those who framed it were elected on the basis of a united nation they cast it in a mould which was provincial. Fresh elections should have been held to reflect the new ethos of the truncated country. Thus so far no Constitution has been produced which embodies the conceptual reality of Pakistan as well as reckons with the peculiar facts of national life.

## Armed Forces' rule

Among these peculiar facts, the outstanding one is the presence of the military on the administrative front. The

question is: why did our Armed Forces from time to time have to take over power? In the first place, it must be observed that few of the emergent countries are ruled by civilian hands. Most of them have military governments. And it has not happened simply because the military had the power to dominate but because the infrastructure of a viable political order did not come into being. The truth of the matter is that the running of a country's administration calls for a certain force of backing. Now what is that factor of force going to be? Britain was ruled by the force provided by one political party or another. But the ultimate sanction behind the British rule in the subcontinent, despite the facade of civil paraphernalia and representative institutions, was the brute force of the military. No doubt the independence movement threw up political parties — for instance the Congress for Hindu India and the Muslim League for Muslim India — but they could not sustain themselves in pristine strength after assuming the mantle of power in their respective zones. That the Congress has lasted longer than the Muslim League is purely due to the accident that while the personal charisma of Nehru operated for a long time the Quaid died soon after the emergence of Pakistan.

## Fall of Muslim League

The impact and organisation of the Muslim League had eroded long before Field Marshal (then General) Ayub staged his "revolution" in 1958. It had eroded primarily on account of the constitutional tussle between the Bengali and the Punjabi members of the Constituent Assembly. The real reason was that since the Muslim League in East Pakistan came under an irresistible opposition pressure, its re-

presentatives in the Assembly felt obliged to make a show of strength at the Centre. Therefore, instead of meeting the challenge in the province locally, they sought to outbid their provincial rivals by raising their bid for constitutional demands. This internecine battle led to the production of a constitutional scheme which was totally unacceptable to the West and consequently resulted in the ouster of Prime Minister Khawaja Nazimuddin.

## Turning point

This incident marks a turning point in the political history of Pakistan. Apparently, Governor-General Ghulam Mohammad used his constitutional powers to dismiss the Prime Minister. In fact, he had no such powers. The sections invoked gave him no more powers than were vested in British monarchs which could not be exercised for the removal of a government. Nor did Ghulam Mohammad possess the Quaid's popular backing to lend his advice and action in formal democratic sanctity. The Governor-General was able to take his drastic step only because behind his back stood the Commander-in-Chief of the Army. General Ayub had guaranteed him the support of the Armed Forces. That support was so decisive and clinching that even denuded of the powers which he had earlier used in dismissing Khawaja Nazimuddin — legislation to that effect was passed under Bogra's premiership — he felt no trepidation in dissolving the Constituent Assembly. Ayub had planned his coup over a period of five years. He first used Ghulam Mohammad as an instrument to get rid of Khawaja Nazimuddin and to do away with the Constituent Assembly and then Iskander Mirza to discredit the 1956 Constitution in order to pave the way for the military rule. However had the Muslim League held intact, Ayub could not have dared to step

forward. How vital a part organised politics plays is manifest in the fact that Yahya could not stay in power in the face of the PPP in West Pakistan and Awami League in East Pakistan.

There is no doubt that factors other than the inherent division in the ranks of the Muslim League also worked to sap the strength of the political process. The split in the Muslim League which gave birth to the Republican Party — so blatantly used by Iskander Mirza as a tool to make and unmake ministries — was a result of intrigue. The Ayub dispensation of non-party elections was again a stratagem to prevent the emergence of any sizeable party to threaten his throne of power. The Muslim League was bifurcated for the sole purpose of forestalling opposition against the regime. For while Ayub formally owned the Convention Muslim League, he never took it seriously and assigned it no effective part. But when all is said and done, the fact remains that it was the vacuum created by the disintegration of political parties which was at the bottom of the interregnum — the vacuum had to be filled in by the military. The country had to be governed somehow.

## Zia takes action

Whatever were the motives of Ayub and Yahya, we know well enough the circumstances which compelled General Zia-ul-Haq to step in. There was a country-wide agitation against the Bhutto regime and the country teetered on the brink of a civil war. The immediate provocation for the anti Bhutto movement was of course the rigging of elections but his real crime against which the people revolted was his attempt to change the character of the country. First he conspired with Mujib for the separation of East Pakistan. His boycott of the Dacca Session of the National



Assembly, his unconditional release of Mujib without securing the quid pro quo of the release of our troops, and his elaborate manoeuvre to recognise Bangladesh via the Islamic Summit, are conclusive proofs of his being privy to the secession. Not only did he become instrumental in the erosion of Muslim nationhood which created and held the country together but he also launched upon a premeditated plan to secularise and socialise the polity which negated its Islamic purport. There arose a distinct danger of national dissipation. The people sensed the danger and rose which brought the military to the forefront. Having carried out the necessary surgical operation, General Zia-ul-Haq might have returned to the barracks without delay — he promised elections within 90 days. But then the PNA did not stay put—its constituent parties began to go their own separate ways, thereby depriving it of the coherence and strength which had made it a power to be reckoned with. And which would have in the event of elections enabled it to enter the arena with confidence. The debilitated state of the PNA became so patent that they refused to contest elections even a year later.

## 1973 Constitution

Where do we go from here? The President is acutely conscious that the military rule has lasted long enough—nearly five years. And he is looking for ways and means to hand over power. But how? There are two pre-requisites. One, that a Constitution should come into force. And two, that viable political parties — national in outlook and organisation — should be available to bear the burden of administration. Patriotism as well as realism demand that these pre-

requisites be met. Now, although the 1973 Constitution exists, it is defective in some salient aspects. First of all, even though it contains Islamic provisions — which in any case remained un-implemented — its underlying philosophy is secular, socialist and regional. Against this must be put the sterling worth of General Zia-ul-Haq's mission of Islamisation which not only expresses the spirit of the Pakistan Movement but has been widely welcomed and accepted by the people. There would be therefore a consensus behind the demand that Islamisation must constitute a focal point of the Constitution which means that an amendment in that respect is legitimate. Secondly the Constitution calls for a balance in the powers of the President and Prime Minister. Presently the President is such a nonentity, that even his signatures on official documents have to be counter-signed by the Prime Minister who originally produced them. This makes nonsense of the position of the Head of State. In all democratic constitutions, the President is equipped with sufficient authority to tide over a crisis which might arise from the failure of a party government.

## A new role

A third amendment is necessitated to meet the President's point about the role of the Armed Forces. This point needs must be carefully weighed and considered. The undeniable fact is that in the chaotic political scene, the Armed Forces are the only organised, disciplined and stabilising factor. Whatever be the Constitution and whatever be the requirements of democratic mores, the Armed Forces cannot remain idle spectators when the integrity of the nation and the country is in jeopardy. Their vail-

ance is especially warranted in the absence of a political force. Were they however to participate as a matter of course in the governance of the country on the highest level of policy-making, as suggested by the President, they could constantly provide a cushion to the party in power. Had for instance General Zia-ul-Haq been present in the counsels of the previous regime, there might have been no break in the continuity of the administration. He would have seen to it that the Armed Forces discharged their duty as the guardians of the Constitution.

## A choice

We are frankly faced with a choice. What is to be preferred in the circumstances of our political instability — whether to have a confrontation between a tottering or overbearing regime on the one hand and the Armed Forces on the other or to ensure the continuance of civil rule by forging a system of consultation with the military within the 'governmental forum'. The military umbrella may provide both viability for the government and chance for the growth of political parties. What the President really wants is to guard against sudden upset of a future civilian government, another Martial Law regime. The aim he has in mind is not only to cover the present weakness of political parties but also to phase out the military from the administrative control. This is a practical proposition. It does not mean perpetuation of the military rule, rather the opposite — its evacuation from the helm of affairs. Were it enforced, both democratisation of institutions as well as restoration of complete civilian order could be facilitated.

BRIEFS

**AREA UNDER JUTE CULTIVATION--**Lahore, May 8--The Punjab Agriculture Department has decided to bring under jute cultivation an area of 10,000 acres in the province during the current kharif season which was 40 percent more than the area came under jute sowing last year. Jute industry of the province would cooperate with the provincial Agriculture Department in this regard. Official sources said here today that production target of jute this year had been fixed as 5,000 tonnes. Sources said the Punjab Agriculture Department would provide all possible facilities to the jute growers. The jute growers would also be provided all technical help by the Department and loans would also be provided to them.--PPI [Text] [Karachi DAWN in English 9 May 82 p 12]

**PRIVATE SECTOR RICE EXPORT--**Lahore, May 14--President all-Pakistan Superior Rice Dealers Organisation and member Rice Board Masud Khokar has called upon the Government to transfer the rice export business to private sector so as to make it more profitable. In a press statement issued here today, Masud Khokar welcomed the appointment of the committee to look into the affairs of the Pakistan Rice Export Corporation and called for inclusion of one member each from the growers and the rice dealers in the committees so that all the facts could be brought forth while preparing the report. He said that the rice dealers had been complaining about the working of the Rice Export Corporation for the last two years but no action was taken to improve its working. As a result, the Pakistani rice lost its prestige in the world market. He said that now the position was that the inferior varieties of rice were doing much better business in the world market as compared to the basmati rice. He has also called for amendment in the rice scheme so as to make it more profitable for the growers and rice dealers.--PPI [Text] [Karachi BUSINESS RECORDER in English 15 May 82 p 1]

**NEW PUNJAB PML HEADS--**Lahore, May 12--President of the Pakistan Muslim League Pir Pagara has appointed Rehmat Ali Alvi, Advocate Muzaffargarh and Sheikh Iftikhar Ali, Advocate, Lahore, as President and General Secretary, respectively, of the PML (Pagara Group) Punjab zone, according to a party Press release here today.--PPI [Text] [Islamabad THE MUSLIM in English 13 May 82 p 8]

**FAIZ NOMINATED--**Islamabad, May 13--The renowned Urdu poet of the South Asian sub-continent and eminent literary personality of Pakistan, Faiz Ahmed Faiz has been nominated for the Nobel Prize for Literature, it was learnt from reliable sources here today. A past winner of the Lenin Peace Prize, Faiz, if he gets it, will become the third Asian and the first Muslim to be bestowed this honour. In 1913 India's Rabindranath Tagore and in 1968 Japan's Yasunari Kawabata were awarded the Nobel Prize. An international jury decides on the nominations in November when the names of the winners are announced. The Nobel Prize carries with it a cash award of over \$200,000. Only one other person, the Irish diplomat Sean MacBride, has won both the Lenin Prize as well as the Nobel Prize. [Text] [Islamabad THE MUSLIM in English 14 May 82 p 1]

**AMBASSADOR TO JORDAN--**ISLAMABAD, May 19--The Government of Pakistan has announced the appointment of Prof Ehsan Rashid as ambassador of Pakistan to Jordan, says a press note of the Ministry of Foreign Affairs issued here today. Born on October 23, 1927 Prof Ehsan Rashid holds Masters's Degree and Doctorate in Economics from Bonn University. He began his career as a university Lecturer in 1950 rising to Readership in Economics at Aligarh University in 1962. He joined the Department of Economics, Karachi University, in 1963 and served as chairman of the Department during 1966-72. He remained Vice-Chancellor of Karachi University from 1976-79. He was visiting professor at Harvard University during 1980-82. He has attended several international conference. He is married. [Karachi BUSINESS RECORDER in English 21 May 82 p 3]

**SAUDI ARABIAN AIRCRAFT FOR REPATRIATION--**Saudi Arabia will provide an aircraft for the repatriation of Pakistani nationals stranded in Bangladesh, according to a Foreign Office spokesman in Dacca. He said the government of Bangladesh and Pakistan and the United Nations High Commissioner for Refugees are discussing the arrangements. The Pakistani nationals are Biharis who opted to live in Pakistan after the emergence of Bangladesh in 1971. They have sought total repatriation ever since. [Karachi BUSINESS RECORDER in English 21 May 82 p 6]

**CHANGING RIVER RAVI'S COURSE--**Two cunettes would be constructed to push back river Ravi to its old course and thus 35,000 acres of land would be reclaimed. This was stated by Malik Allah Yar Khan, Provincial Minister for Revenue at village Tibba Pukhrail on Friday says a handout. A ring bund has been constructed to protect the village which has been partly eroded by sudden change in river Ravi's course. The construction of the bund has however, saved the remaining part of the village and fertile land orchards from inundation. The Minister also visited village Mangni and directed the Irrigation engineers to construct a new channel for straightening the course of Bein nullah which has come very close to village Mangani by changing its course. The Minister also inspected Kakkey Bund and three spurs newly built by Irrigation Department to protect Narowal-Shakkargarh highways. The Minister expressed satisfaction that after the construction of the spurs, the river Ravi has drifted far away from the highway. He, however, directed the Irrigation engineers to excavate a cunette to tide over the problem of the erosion near Jassar. [Lahore THE PAKISTAN TIMES in English 22 May 82 p 3]



**MULTAN LAWYER HELD--MULTAN, May 21--**Local advocate Mohammad Shafi Akhtar has been arrested by the local police on the charge of creating hatred against the Government. Booked under Martial Law Regulations the advocate is at the local Central Jail. Another local lawyer Abdul Aziz was arrested and detained for three months recently. [Lahore THE PAKISTAN TIMES in English 22 May 82 p 8]

**RELIGIOUS AFFAIRS MINISTRY--RAWALPINDI, May 6--**The President and CMLA has decided that the Ministry of Religious Affairs and Minorities Affairs will be the administrative ministry concerned with the work assigned to Mr Muhammad Muslehuddin, Adviser to the President of Islamic Education, says a notification issued by the Cabinet Division here. [Karachi DAWN in English 7 May 82 p 11]

**FARMING IN NORTHERN AREAS--ISLAMABAD, May 20--**The Federal Government is spending Rs. 6.5 million for the development of agricultural sector in Northern Areas during the current fiscal year. This was stated by the Commissioner Northern Areas in Gilgit the other day while presiding over a ceremony to award best growers. He said that all possible efforts are in hand to maximise the agricultural produce in the Northern Areas so that three areas could be made self-sufficient in food grains. He added that improved varieties of seeds and chemical fertilizers were distributed among the growers for the purpose and this has produced tangible results. The commissioner said that a comprehensive plan for motivating the farmers to get maximum benefit from their land has been taken up through the effective agriculture extension services. Talking about the development of horticulture in the area, he said that about 25 projects have already been launched for the development of horticulture and plant protection in the districts of Gilgit, Baltistan and Dir. [Karachi BUSINESS RECORDER in English 21 May 82 p 3]

**WATER THEFT FINES RECOVERED--HYDERABAD, May 20--**To root out the menace of irrigation water theft in the province the government has recovered Rs. 50 crore as fine from those found guilty of water theft. About 300 big Zamindars are being prosecuted for this, it is reliably learnt here. Influential and big Zamindars have deprived small land owners and tail-enders of their due share of irrigation water, as a result of anti-irrigation water campaign the tail-enders and small land owners have been ensured irrigation water supply which would help to achieve food autarky in the province. [Karachi BUSINESS RECORDER in English 21 May 82 p 6]

**GOVERNMENT EMPLOYEES SALARY RAISE--**The commission set up with a view to reviewing the salaries of Government employees has recommended a raise in the salaries of all Government employees and a huge amount will be allocated to meet the additional expenses. This was stated by the Punjab Finance Minister Mian Nawaz Sharif while delivering his presidential address at a meeting held on the concluding day of the Savings Week, at Jinnah Hall in Lahore on Thursday. Mian Nawaz Sharif said the decision to increase the salaries was made to solve the problems of the salaried class. Although he did not disclose the quantum of raise in salaries, yet he said "it will be reasonable". Speaking about the importance of savings the Minister said saving was indispensable for ending dependence on foreign assistance. [Lahore THE PAKISTAN TIMES in English 21 May 82 p 1]

**BAB-i-PAKISTAN NEAR WAGAH--**The Lahore Development Authority has decided to build Bab-i-Pakistan (Gateway to Pakistan) near Wagah Border. The LDA Chief, Major General (Retd.) M. H. Ansari told The Pakistan Times on Thursday that Gateway to Pakistan was being built near Lahore as President Mohammad Zia-ul-Haq had called the historic city Bab-i-Pakistan several times. He said that Bab-i-Pakistan will be situated on Wagah Road, a few kilometres away from the Indo-Pakistan Border. He said that the Gateway would consist of a beautiful arch and a recreational complex spread over an area of several acres. Tourists coming to Pakistan will be provided facilities for a brief stay at the proposed Gateway. He said that the design of the Bab-i-Pakistan was being finalised and its construction was expected to start during the next financial year. [Lahore THE PAKISTAN TIMES in English 21 May 82 p 7]

**BAN ON FERTILIZER IMPORT--MULTAN, May 20--**The Federal Government has imposed a ban on the import of fertiliser. According to informed sources the country has almost achieved self-sufficiency in its requirements of Urea fertiliser. Four fertiliser factories are producing Urea at Multan, Sheikhpura, Dharki (Sukkur) and Mirpur Mathelo (Sind). Another fertiliser factory is being set up by the Fauji Foundation at Machi Goth (Rahimyar Khan). The new factory is expected to start production by the end of this month. Meanwhile Divisional Commissioner Syed Hasan Raza Pasha has said that the Government had decided to abolish subsidy on fertiliser under a phased programme. Speaking at the prize distribution ceremony arranged here by a fertiliser producing concern, he advised the dealers not to indulge in malpractices. The Commissioner also urged the farmers to use fertiliser for boosting their yield per acre as advised by the experts of the Agriculture Department. [Lahore THE PAKISTAN TIMES in English 21 May 82 p 11]

**NEWSMEN DEMAND RAISE--**The Karachi Union of Journalists (Rashid Siddiqi group) has demanded 50 per cent increase in the salaries of newsmen and Press workers in the coming Budget. In a statement issued in Karachi on Friday, the Acting President of KUJ, Mr M.N.Beg and General Secretary, Mr Mazhar Ahmad, said that due to enormous increase in prices of commodities, the newsmen are facing hardships to meet their needs. They pointed out that the present wage structure, which was announced about two years back, has become outdated and inadequate. They urged that in conformity with the promises made by the President, General Mohammad Zia-ul-Haq, the salaries, allowances and house rent of the journalists and Press workers should be increased while announcing the next budget. [Karachi DAWN in English 22 May 82 p 6]

**EXPULSION FROM PARTY PROTESTED--LAHORE, May 21--**Mr. Saeed-ul Haq Siddiqui, former Secretary Information, defunct Pakistan Muslim League, on Friday said that "self-styled" leaders of the League had no right to expel those M.L. members, who had joined the Federal Council. In a Press statement here, he said that those "so-called" Leaguers, clamouring for holding elections in the country, were themselves not the elected office-bearers of the Muslim League. [Karachi DAWN in English 22 May 82 p 9]

**TAX ACCORD WITH MALAYSIA--**Pakistan and Malaysia signed an agreement in Islamabad on 29 May to end double taxation and check evasion of income taxes in the two countries. Pakistan's Foreign Secretary Riaz Piracha and Malaysian ambassador in Pakistan Dali M. Hashim signed the agreement on behalf of their respective governments. [BK031205 Karachi Overseas Service in Urdu 0800 GMT 29 May 82]

MARCOS RULE TERMED A FAILURE

Cebu City VISAYAN HERALD in English 22/23 May 82 pp 1, 11

[Article by Mariano M. Florido, Former CFI Judge: "Marcos Did It Again"]

[Text] The year was 1969. Marcos had just hurdled a second term as President of the Philippines. The nation heard him again at the Luneta in his second inaugural. He spoke on the same theme: NATIONAL GREATNESS. The language he used revealed the character of the man, his obsessions, his intense desire for a place in the Valhalla of the Immortals.

The issues of his reelection were the emergence of a new ethics that demanded new national habits, nothing less than a new social and official morality; the lifting of the country's sagging economy, social injustices and bureaucratic corruptions.

Marcos has been President for the last 17 years, with martial law tainting the last 9 years of his incumbency with the stigma of illegality. He started his first term with a promise of the severest leadership to achieve his ambitions. He always referred to them as his mandate of greatness.

June 30, 1981. In his third inaugural we detected a re-enactment of his second inaugural speech: "We found a government on the brink of disaster and collapse; a government that prompted fear before it inspired hope: plagued by indecision; scorned by self-doubt; its economy despoiled, its treasury plundered."

He was lambasting the Macapagal administration which he preceded. Yet we could say the same thing of his administration: a government on the brink of disaster and collapse, with a dying economy and a plundered treasury. And more. The Marcos administration is the most extravagant, the most bankrupt administration in our history; with a bloated national budget which we cannot afford, despoiled by overspending, huge foreign indebtedness, rescue funds to rehabilitate bankrupt banks and business cronies.

In his 1965 presidential campaign he made 15 promises: bring down high prices; eradicate graft and corruption; punish those who enriched themselves in office; jobs for the jobless; law and order; no nepotism; rule of law, etc. He made the same promises in 1969.

These promises remain promises until now. That is why the people have no more faith in the Marcos pronouncements. His credibility has gaps, wide gaps.

For instance, in 1971 he declared that he was supporting the proposal in the 1973 Constitutional Convention for a six year term for President without reelection. In the last plebiscite for constitutional amendments he turned about for a six-year term without limit to reelection. In 1965, he attacked the legality and morality of sending an engineering battalion to South Vietnam. Yet, only two days after election day, when millions of votes were still uncounted and his victory over Macapagal was still uncertain, Marcos made a mental somersault and reversed himself on the Vietnam issue.

In 1970, Marcos had banned school athletics meets in consonance with his avowed policy of austerity. At the next instance we heard him lifting the ban.

In 1992, Marcos did it again. In his acceptance of the resignations of 14 justices of the Supreme Court he said he did it "in order to create a new court without the burden of the tarnished prestige of the present Supreme Court. What he actually did was to reinstate the same Court by reappointing the same retired Justices. In order to lend color to his drama he said he did it after consulting several retired Chief Justices and Justices of the Supreme Court and a group of luminaries of the bench and bar. The crisis turned out to be a "tempest in a teapot, full of sound and fury signifying nothing" His action was immoral in the least because the resignations of the justices were voluntary, unlike the forced resignations of the Judges of the Courts of First Instance and inferior courts which were forced by him under his Letter of Instruction No 11, a violation of the rule of law. And the resignations were predicated on delicadeza because of the tarnished image of the court due to the bar scandal.

Marcos even suggested to Chief Justice Fernando to go over the papers of all the 1981 bar flunkers which is improper and unethical because it would condone the scandal arising from raising the grades of a son of a fellow Justice of the Court to let him pass the examinations at the cost of the integrity of our public and official documents. There would no longer be a judicial obstacle for Gustavo Eritca to take the lawyers' oath. Marcos then will be making everybody happy as accessories of the worst bar scandal in our history.

CSO: 4220/21



## LAUREL LEADS OPPOSITION COALITION

Manila BULLETIN TODAY in English 27 May 82 pp 1, 4

[Article by Ding Marcelo]

[Text]

The country's biggest opposition coalition yesterday came up with a new name, discarded its collective leadership, and elected former Sen. Salvador H. Laurel president. Laurel renewed his group's pledge to continue to seek power through peaceful means but warned the Marcos administration to do its part in restoring the people's faith in the government by instituting election reforms "before it's too late."

He announced that the United Democratic Organization or Unido will now be known as the United Nationalist Democratic Organization or UNDO.

He said the word "Nationalist" was added because "it is the common denominator and the binding force of the 12 coalesced opposition parties."

As its first official act, Laurel said UNDO has decided to boycott the election for representatives in the two autonomous regions in Mindanao, saying it is "a farce and another instrument to fool the people of Mindanao."

He also said the opposition groups were not satisfied with the recent barangay elections which, they said, were riddled with "irregularities and massive frauds."

UNDO released its five-point platform with nationalism as a centerpiece attraction, articles of coalition, and declaration of principles.

"We are not promising Utopia. We are only seeking to retrieve what really belongs to our sovereign people. And we are determined to do so no matter what the cost. All we will need is unity, organization, determination, and guts," Laurel said.

Laurel said there is no immediate need to convert the group into a single political party "because there is no real election in sight."

He said UNDO's participation in future elections will depend on whether the administration is willing to allow minimum poll safeguards.

Election along with Laurel were seven national vice presi-

dents. They are former Rep. Neptali Gonzales for Metro Manila; Pablito Sanidad, Northern Luzon; former Sen. Dominador Aytona, Southern Luzon; former Sen. Decoroso Rosales, Eastern Visayas; former Vice President Fernando Lopez, Western Visayas; former Sen. Mamintal Tamano, Eastern Mindanao, and Misamis Or. Gov. Homobono Adaza.

Among those who attended yesterday's meeting were former Senators Domocao Alonto, Tecla San Andres Ziga, Rene Espina, and Ambrosio Padilla; Mel Lopez; former Congressman Rogaciano Lopez, Manuel Canea, and Manuel Concordia; Assemblyman Valentin Legaspi, former Speaker Jose B. Laurel, former Ambassador Salvador P. Lopez, Bicol Saro President Salvador Princea, and ConCon vice president Abraham Sarmiento who was elected UNDO secretary general.

## EXPORT PROSPECTS FOR 1982 ENCOURAGING

Manila BULLETIN TODAY in English 28 May 82 p 26

## [Text]

Prospects for the Philippine external sector are expected to be slightly encouraging in 1982 with a minimal increase in export receipts and marginal growth in import payments, the Private Development Corp. of the Philippines (PDCP) predicted.

The country's net merchandise trade for 1982 would likely reflect a mild deterioration as net invisible transactions may be expected to partially offset the trade deficit and cushion its negative impact on the balance of payments, PDCP said in an economic letter.

With invisible transactions approximating 1981 levels (\$1.94 billion, up by 44 per cent over 1980), the balance of payments could register a slightly wider

deficit than last year's, PDCP said.

The National Economic and Development authority (NEDA) expects the trade deficit to be about \$2.8 billion this year, slightly up from the \$2.5 billion deficit in 1981.

The 1981 balance of payments registered a \$560.6 million deficit, a 47.2 per cent deterioration from the \$380.9 million deficit in 1980 caused by a decline in export receipts and an increase in import payments.

PDCP said its projections in export income is based primarily on the expectation that non-traditional exports, particularly manufactures, would show sustained growth levels in 1982 as it did in the previous year.

Total exports amounted to \$4.45 bil-

lion in 1981, down by 4.2 per cent from \$4.65 billion in 1980, the first time since 1975 that it fell.

High hopes are pinned on garment exports to Japan as well as expansion of electrical and electronic equipment markets to fill up the vacuum left by Japan, South Korea and Singapore.

Stabilization is foreseen in world prices of coconut oil as the glut in other vegetable oil begins to dissipate.

An increase is anticipated in banana trade with Japan where up to 90 per cent of banana exports go.

Copper and nickel demand may go up due to the anticipated upswing in industrial activity and armaments buildup in the US by the second semester.



MARCOS SUPPORTS MOSLEM SCHOOL PLAN

Manila BULLETIN TODAY in English 28 May 82 p 40

[Article by Rod L. Villa]

[Text]

ZAMBOANGA CITY, May 27 — President Marcos said he saw the hastening of peace which for so long has eluded violence-torn Mindanao with the decision to bring some 1,000 madrasah schools into the formal educational system, it was learned here today.

He directed Education Minister Onofre D. Corpuz to implement immediately an accreditation system to confer recognition on the Islamic learning centers which handle the early education of at least 150,000 Muslim children.

Corpuz reported to Mr. Marcos on the federation of all madaris (plural of madrasah) as the instrument for government recognition. He presided over the first policy conference in this city on this nagging educational problem.

Until then, the madaris were left to fend for themselves under the loose cooperative system among Muslims, with the assistance of wealthy Middle East nations.

These left lasting impressions in the young Muslims radically different from teachings of formal schools in that they preached the Islamic faith and thus developed allegiance not to the Philippines but to other Islamic countries.

Consequently, madrasah graduates have sought advancement in Indonesia, Borneo, Malaysia and other Islamic nations in the Middle East.

It is this, among others, which public and private leaders, including a surprisingly big number of Muslim elders, sought to correct by seeking the integration of the madaris within the formal school scheme.

All through the three-day meeting, Deputy Minister Michael O. Mastura of Muslim affairs, a young and respected Cotabato Muslim, urged the 150 ulamahs, usdats, gurus and Muslim "learned men" to "think education, not politics."

MOSLEM SCHOOLS TO BE ACCREDITED

Manila PHILIPPINES DAILY EXPRESS in English 25 May 82 p 2

[Article by Yvonne T. Chua]

[Text]

**ZAMBOANGA CITY, May 24** — The Ministry of Education and Culture said today it will accredit and extend government recognition to madaris (Muslim schools) found in Central and Western Mindanao.

Education Minister Onofre D. Corpuz, who keynoted this morning's first policy conference on madrasah at the Western Mindanao State University, made the announcement this afternoon after listening to various position papers citing the plight of madaris.

Madaris are Islamic parochial schools run by religious men called ustadz. Arabic and Koran are taught in these schools but are not accredited by the government.

**MADKI ALONTO**, president of the Philippine Jamiatul al-Islamic, informed education officials that it is ironic that graduates of madaris are admitted into colleges and universities in the Middle East but not in the Philippine schools.

Corpuz said the MEC will

recognize madaris to enable their graduates to pursue further studies without having to leave the country.

He said the MEC will draw up an accreditation system that will spell out the organization, standards, and criteria for government recognition.

• • •

**CORPUZ** said the MEC move reaffirms that the madrasah is an educational institution under Philippine laws, that its curriculum is accepted as a type of formal education and that its students are entitled to receive government credits for their learning.

Education Deputy minister **Abraham I. Felipe**, who is also the president of the Fund for Assistance to Private Education, encouraged the formation of an association of madrasah educators.

Felipe said such a group will facilitate the implementation of educational programs "that are truly reflective of the hopes and aspirations of the Muslim Filipino community."

FARMERS TO BENEFIT FROM NEW MEASURES

Manila PHILIPPINES DAILY EXPRESS in English 24 May 82 p 4

[Editorial: "Concrete Measures To Help the Farmers"]

[Text]

THERE CAN be no denying that the package of benefits and incentives recently given to the farmers by the government will go a long way in helping farmers cope with increasing costs of production and in stabilizing the supply of rice.

By increasing by 15 centavos the floor price of palay, lowering fertilizer prices and allocating P450 million for Masagana 99 loans, President Marcos gave the farmers the priority that they long deserve. Despite the government's past efforts to help the farmers and increase rice production, some farmers could not quite bridge the wide discrepancy in the price of their product and those of other commodities.

The recent moves ordered by the President, however, should dispel any notion of government neglect of farmers. As the workhorse of the country's food production efforts, the farmers play an important role in national development.

Farmers ultimately are responsible for the country's successes in food self-sufficiency. For example, we are now self-sufficient in rice and we have made significant headway in the production of non-traditional crops.

Rice consumers — that's us in the urban areas — should not begrudge the farmers the modest increases in the government buying price of palay. The new estimated cost of rice is around P3 a kilo, 15 centavos higher than the prevailing price of P2.85. The government has assured us that the adjustment will not cause any significant increase in the cost of living because it will add no more than 1 percent to the consumer price index.

In celebrating Farmers Day last Friday, the government had a chance to back up its expressions of support for the farmers with concrete measures which, in the President's own words, "are designed to give the farmers a fair deal, commensurate to the risk

they take and the effort they expend."

The efforts to give more benefits and incentives to the farmers should be sustained. On the other hand, these increases should motivate farmers to make sure that we will always be self-sufficient in this most basic of commodities.

CSO: 4220/21

## INDUSTRIAL PROJECTS REVIVED

Manila PHILIPPINES DAILY EXPRESS in English 24 May 82 pp 1, 6

[Text]

PRESIDENT MARCOS said yesterday the 11 major industrial projects of the government will be reviewed to bring about a balanced agro-industrial program. Some projects, he said, may have to be modified or scrapped.

The President said critics of the program are "part of a plot to ensure that we will forever be under industrialized countries."

"What we need is resolve," he said. "Should we still have second thoughts just because of the complaints of other countries?"

"At the rate of an increase of the prices at 10 percent annually, it will already be a 100 percent increase if you do a project 10 years from now," he stated.

He said many of the bigger countries are preventing industrialization to preserve their own foreign markets.

He said that in the case of the sulphur phosphate project, the government of Nauru had already invested 40 percent equity totalling \$40 million. The balance will be provided by the National Development Company.

The President stated that he had his "own doubts" about the viability and profitability of many oil-based factories listed among the 11 major industrial projects. The reason for this is the high cost of fuel, he added.

The President defended the loan borrowings by the Central Bank for

the country's industrialization and to boost the economic production.

He said that the P35 billion total borrowings of the Central Bank were needed to prime the economy, make the Filipinos control their economic destiny, and prevent foreign domination and control.

The President quoted Claro M. Recto as saying that it was better for the Philippines to borrow than let foreigners come in and control the economy.

The President stated that if private firms were to borrow on their own, they would be paying interest rates ranging from 21 to 25 percent.

"If the government borrows from abroad, the interest is only 9 or 10 percent," he said. "The government guarantees these loans, although eventually the private sector gets the funds."

He said that this was the reason it appears that the government is the borrower. The truth is that the borrower is the private sector, he said.

In the case of borrowings to finance infrastructure, like the Ambuklao Dam, the President said that the beneficiary is not the government but the people and private firms who put up factories who get benefits of electrification and cheaper power.

The 11 major industrial projects are: Copper smelter project, located in Imbab, Leyte, at an approximate initial cost of \$400 million.

Phosphatic fertilizer project, a joint venture between the state-owned Nauru Phosphate Company and the National Development Co., originally estimated to cost \$370 million, also located in Imbel, Leyte, adjacent to the copper smelter.

Aluminum smelter project, a joint venture of NDC and a major foreign aluminum company, estimated to cost \$580 million, to be located in Tagolnan, Misamis Oriental.

Diesel engine manufacturing project, estimated at \$100 million.

Cement industry rationalization program, which involves rehabilitation of existing cement plants and conversion of cement plants from fuel to coal. This is already in progress.

6. Coconut industry rationalization project - A joint agreement for the establishment of a \$150 million complex was signed between the United Coconut Planters Bank and Henckel of Germany.

Integrated pulp and paper factory, involving the production of bleached pulp newsprint, coated paper, printing paper, and writing paper. Feasibility studies are being undertaken.

8. Petrochemical complex project, approved by the Ministry of Trade and Industry. It calls for the establishment of two downstream petrochemical plants in Limay, Bataan. The plants are projected to cost \$187 million.

9. Heavy engineering industries project, involving implementation of a local content program directed towards the machinery and equipment requirements of all major industrial projects. The project calls for the establishment of a heavy casting and forging complex, a heavy machinery fabrication and equipment fabrication and equipment machinery complex, and the improvement of the downstream fabrication capability of the private sector. Estimated cost of project is \$100 million.

10. Steel mill project - The existing Iligan plant of the National Steel Corporation will be modernized and expanded to initially produce 1.2 million metric tons of slabs and 0.3 million metric tons of bloom.

11. Alcopas program - The Philippine National Alcohol Commission will implement a nationwide alcopas program involving the establishment of 14 distilleries with an aggregate capacity of 234 million liters of alcohol by 1985. This program is expected to reduce the country's dependence on imported crude oil by displacing 15 to 20 percent of the projected demand for gasoline.



# INCENTIVES PROVIDED IN DOLLAR DRIVE

Manila PHILIPPINES DAILY EXPRESS in English 25 May 82 p 10

[Article by George T. Nervez]

[Text]

THE Monetary Board approved recently new rediscounting privileges to banks that sell or deposit with the Central Bank foreign exchange bought from the public under its "Operation Greenback" drive.

The move is intended to encourage banks to participate more actively in "Operation Greenback" which was launched by the CB earlier this year to put banks on competitive footing with dollar blackmarket traders.

Although a few banks have stepped up purchases of foreign currency notes from the public, many institutions have not actively participated in the CB drive because the incentives were not attractive enough.

...

EARLIER, the CB said it would increase its foreign exchange buying rate to the guiding rate for the day to encourage banks to sell or deposit their dollar with the CB.

Banks have likewise been allowed place foreign currency notes bought through "Operation Greenback" in time deposits with the CB at preferential rates similar to the LIBOR (London Inter-Bank Offered Rate) or SIBOR (Singapore Inter-

Bank Offered Rate).

The CB launched its foreign exchange buying drive through the banks because of the continued operations of the dollar blackmarket.

...

THE CB hopes to increase the amount of foreign currency exchange through the financial system by allowing banks to offer buying rates competitive with those of the blackmarket.

CB Gov. Jaime C. Laya has said the CB wants to zero in on the foreign exchange earnings of Filipino overseas workers who last year remitted into the banking system about \$596 million.

"There is undoubtedly much remaining potential, in view of the habit of people to employ the "pada-la" system and send money through friends rather than to remit funds to the homeland through the banking system," Laya has said.

Laya noted that the overseas workers and their families may not be after the premium offered by the blackmarket but "red tape, inefficiency and unavoidable delays in clearing and other steps often frustrate overseas workers."

**CUBA OFFERS SUGAR EXPERTISE**

**Manila PHILIPPINES DAILY EXPRESS in English 25 May 82 p 10**

**[Text]**

**SACOLOD CITY** Cuba's ambassador to the Philippines, Carlos Artiaga, has offered to the local sugar industry his country's sugar expertise and technology.

In a television interview Saturday in this city, the Cuban ambassador said his country is willing to share with the Philippines its technology, particularly, in the manufacture of sugar mill and other equipment.

Cuba, he said, virtually manufactures 75 percent of its sugar mills and almost 100 percent of spare parts needed by its sugar industry.

Cuba, like the Philippines, sells its sugar through a single agency similar to the National Sugar Trading Corp. (Nasutra), and mostly via long-term contracts, Artiaga said.

He added, Cuba has a long-term contract with the Soviet Union for the bulk of its sugar output.

CSO: 4220/21

# LESS FOREIGN LOANS PLANNED FOR NEXT YEAR

Manila PHILIPPINES DAILY EXPRESS in English 26 May 82 p 9

[Article by George T. Nervez]

[Text]

**FOREIGN** borrowings in 1983 may have to be reduced further from this year's ceiling of \$2.4 billion if export earnings continue to fall during the rest of the year.

A drop in foreign funding may mean some projects, especially those that are capital intensive, may have to be deferred until such time that external and internally-generated funds are available.

Export earnings have been declining since last year and the slump has spilled over to the first quarter this year. The Central Bank has reported that depressed markets pulled down exports by 15.3 percent from \$1.586 billion in January to March 1981 to only \$1.343 billion in the same period this year.

Under the law, new foreign borrowings during the year are limited to 20 percent of the foreign exchange earnings in the previous calendar year.

**PRIME** Minister Cesar Virata said recently that of the \$2.4-billion new borrowings targetted this year, actual payments have been only \$400 million.

Borrowing interest from the private sector has remained very

weak because of depressed markets for key exports, he said.

The public sector, he said, has made reservations to tap about \$1.2 billion this year or 50 percent of the foreign borrowing ceiling.

The government reduced new foreign borrowings this year to \$2.4 billion because of the drop in the country's export earnings in 1981.

The government plans to tap \$250 million from the Asian Development Bank (ADB), \$200 million from Japan, \$400 million from the World Bank, about \$80 million from the United States and export credits from various sources.

**ONLY** recently, he said, the government got \$20 million from the OPEC Fund to finance rural electrification projects.

The latest available figures on the country's external foreign debt show that fixed-term external borrowings amounted to \$11.489 billion at the end of the first quarter, an increase of \$125.9 million or 1.1 percent over the end-1981 level of \$11.37 billion.

## TWO MINISTRIES MERGED

Manila PHILIPPINES DAILY EXPRESS in English 26 May 82 pp 1, 6

[Text]

**PRESIDENT MARCOS** yesterday abolished 10 government corporations and merged the Ministry of Youth and Sports development with the Ministry of Education and Culture in one of the most drastic changes undertaken so far in the ongoing reorganization of government entities.

After a lengthy meeting of the Special Presidential Committee Reorganization which he heads, the President also directed:

- The merger of six other government companies which have similar or overlapping functions.

- The sale of five government-owned businesses to the private sector.

- The conversion of three government firms into regular government offices.

...

**THE AFFECTED** corporations were not identified pending issuance of an executive order which the President will sign shortly.

The Ministry of Natural Resources which was a candidate for the chopping block was spared because of its "involvement in such activities as food production, export trade and the protection of the environment."

During the committee meeting, the President stressed that employees of the abolished firms would be absorbed by other government agencies whenever possible. He added, however, that in offices where

there is clear overstaffing, some employees will have to be temporarily laid off.

Affected by the abolition and merger are firms and agencies involved in housing and home financing, telecommunications, agriculture, infrastructure and public utilities, culture and the arts, and banking and finance.

...

**THE SPECIAL** committee had proposed mergers of the following firms:

- Agricultural Credit Administration, Land Bank of the Philippines, Export Credit Corp. and the Philippine Export and Foreign Loan Guarantee Corp.

- Human Settlements Development Corp., National Housing Authority, and National Housing Corp.

- Home Financing Corp., and National Home Mortgage Finance Corp.

- National Dendro Development Corp. and Virginia Fuelwood Corp.

- Cultural Center, Museum of Philippine Costumes and the Music Promotion Foundation of the Philippines.

...

**AMONG** those which are likely to be sold to private parties are the Cavite Development Authority which is in telecommunications and electrification, Peflok Investment and Development Corp., Philippine Veterans Bank and the Philippine

**Veterans Investment Development Corp.**

These entities were originally owned by veterans, but continued government funding and support have given them a semi-government ownership status.

The firms which were abolished, according to Prime Minister Cesar E. A. Virata, were either moribund or inactive as a result of continuing losses from operations.

The losses were particularly telling on Metro Manila Transit Corp. and the Philippine National Railways. It was not known, however, if they were among those abolished.

• • •

**ALSO MENTIONED** as big money losers were Coco Chemical Phils., Bliss Marketing Corp., Cotton Industries Development Enterprise and the Food Terminal Inc.

Since most of the ailing firms receive budgetary appropriations, their abolition is expected to help realize a government objective of containing a projected deficit in the budget within the P5 billion level.

To ensure that cost-saving measures are carried out efficiently, the President authorized the creation of an "inspector's arm" in the office of the Prime Minister.

The new unit is expected to become a watchdog and special monitoring agency, particularly in the implementation of major government projects.

FINLAND SEEN AS COPPER MARKET

Manila PHILIPPINES DAILY EXPRESS in English 28 May 82 p 13

[Text] Finland may well be another market for Philippine copper in the next three to five years, according to Finnish trade attache to the Philippines, Klaus Arni.

Arni said that Finland's copper resources are fast depleting because of its metal and engineering industry.

At present, its largest metal company, the Outokumpu Oy imports from Sweden and Norway about 10,000 metric tons of copper concentrates a year. This volume is expected to increase to 45,000 tons in 1985, he said.

Arni also said Philippine-Finland trade relations are steadily expanding. The trade balance is on the Philippines' favor with P45-million surplus in 1981.

Trade between the two countries is projected to increase by 25 percent annually. Exports to Finland consist mainly of canned foods and fruits, coconut-based products and copra, tobacco products and textile. These amounted to some P90 million in 1981, he said.

Arni said Finland also plans to import furniture, handicrafts and mineral products from the Philippines

Philippine imports from Finland consist of machinery, paper and pulp, and chemicals for medicine.

These amounted to some P60 million last year.

Arni said Finland also has some investments in the country through the KoneCorp, which is engaged in the manufacture of elevators, cranes and material handling equipment.

The Outokumpu Oy company has been supplying some local mining outfits with modern mining equipment.

Finnish technology will also be used in the copper smelting project

of the government established in Isabel, Leyte.

Arni said Finland hopes to sell non-capital goods to the Philippines through the ongoing exhibit of equipment and machinery at the Philippine Center for International Trade and Exhibits.

The exhibit features the mining equipment, material-handling equipment, mobile crushing machines and paper pulp machinery, he said.



# BUSINESS COOPERATION WITH SOUTH KOREA

Colombo DAILY NEWS in English 21 May 82 p 1

[Text]

Sri Lanka and South Korea will set up a Business Corporation Committee before the end of the year. Mr. C. P. de Silva, Chairman of the Sri Lanka Japan Business Corporation Committee, said yesterday.

Mr. de Silva, who had spent two weeks in South Korea, said that the ground work on the new committee was done during the visit.

"Only business men can convince business men in this game", he said.

The Lankan delegation to South Korea comprised Messrs de Silva, A. K. Nemasnam, Das Wijeratne and S. S. Jayawickrema.

They met the Managing Director of the Korean Chamber of Commerce and Industries, the Director-General of Trade Pro-

motion and the President of the Korean Trade Promotion Corporation.

"The Koreans are at a stage of development where they would like to transfer labour intensive areas to other countries and substitute high technology at home", said Mr de Silva.

A Korean worker earns about US \$ 700 per month against about US \$ 60 per month earned by a Lankan counterpart.

South Korea has already formed 18 business corporation committees. Sri Lanka will be the nineteenth.

The trade balance between Sri Lanka and South Korea is currently heavily weighted in favour of the Koreans, with Sri Lankan exports there at Rs. 9 million and imports Rs. 1,500 last year.

CSO: 4220/22

EDITORIAL: PARTY COMMENDED FOR CORRUPTION CLEANUP

Colombo DAILY NEWS in English 10 May 82 p 4

/Editorial: "Embellishing an Image"/

/Text/

The UNP Working Committee's decision to empower the party leader to make a quick and clean sweep of such corrupt elements as have managed to creep into the body politic is wise, welcome and crucial.

The most majestic of vessels on any urgent voyage collects barnacles — until the time comes for them to be scraped away.

In a recent broadcast, a spokesman explained that while the party was concentrating almost all its time and resources on reviving the economy, cleaning-up operations, though not lost sight of — nevertheless took a lower priority. That is understandable. One cannot preach morality to hungry people. And when the SLFP was beaten in 1977, the cupboard was bare.

Today, the war on corruption has begun in earnest. No doubt some healthy sharks, sprats and other fishy dealers have got away with big catches — not to speak of possible gems and other contraband in neat parcels.

Closer home, the most distressing element has been bribery — in State offices, in local bodies, in corporations.

Peons, subjects clerks and other species of parasites extracting anything from Rs.5 to Rs.50 from a former colleague, or a member of the public, plead the cost of living in mitigation of their conduct. What is more, they plead the example of men higher up in positions of greater power.

Of course, commissions and corruption can take the form of cash payments: they can take other forms — graceful figures perhaps. Again, the UNP clean-up of its ranks must not shrink from dealing with men who have abused their authority in other ways.

The tragic truth is that, in some quarters, men who drop names and give the impression of being neophytes and other zealots have cast a shadow on the Government's record by resort to thuggery, to violence and outrageous injustice in sheltering rowdies on racial and other grounds.

Corruption also includes nepotism, family bandyism, and other brands of favouritism: indeed, any bias that is inconsistent with fair dealing.

Those holding key positions then might alert themselves to the obvious consequences of sheltering one set of drunks, one set of bullies and promoting others wearing the same war paints and tribal feathers.

In truth, power in a democracy is no one's patrimony. It is justice that must prevail over loyalty, not the other way about if the party is to embellish its image as it prepares for the polls. It is already a credit to the Government party's sense of democracy, that no one doubts that the democratic process of going to the people will duly be put into operation. How different from the time under the last regime when speculation was rife and every day

brought fresh fears that the elections might be suppressed: that we might see a switch to more than a little bit of totalitarianism.

The Coalition, the marxists in particular, have made a show of rowdy elements of loud-mouthed rats and slogan-shouting gangs. All that could be part of the Revolution: of class warfare, of rule by fear and favour.

Let those in the UNP who have lent their patronage to such crude factions do some re-thinking for themselves.

Even the urgent need to generate employment has been misused. It has led to the invention of highly paid sinecures, to extensions to incompetent old favourites and other superannuated grazers.

All this has been a drain on the nation's wealth. Such action has caused frustrations that have slowed down work and embittered the people. In several organisations. Such wrongs will now, we hope, be corrected.

It is a sagacious and reassuring step that the party has taken, to put its own house in order before facing a miscellany of foes fighting furiously within their own circle and happily blind to their own disarray.

CSO: 4220/9

SLFP FOOD SUBSIDY STAND DEPLORED

Colombo THE ISLAND in English 23 May 82 p 6

[Editorial: "No Return to the 'Ration' Era"]

[Text]

APPEARING for the first time on the same platform with son Anura after her long winter of discontent, former Prime Minister Mrs. Sirima Bandaranaike promised at Ratmalana on Thursday night that a future SLFP Government would restore subsidies and provide essential food items at subsidised rates to the people. Since the Sri Lanka Freedom Party is the country's principal national opposition party and this is an Election Year in the UNP leader's own words, this promise held out by the SLFP leader is worth examination.

It is not exactly clear whether by the restoration of subsidies Mrs. Bandaranaike means a return to the era of goods on ration. If this is so we do not feel that this would be in the country's best interests. The provision of a blanket food subsidy also meant the doling out of cheap food to those sections of society which could well afford to pay for them. There is no argument that the poorer segments of society have to be insulated from the capricious vagaries of inflation and some type of subsidy is one way of doing this. But in the name of defending the living standards of the poor we cannot any longer continue an all-round scheme of food subsidies which makes no distinction between those who cannot afford to pay and those who can well afford to.

The food subsidy was one of the more notable products of world war two which continued even after Independence. It is a truism that in Sri Lanka rice has been politics, exerting a decisive influence on politics in 1953 and 1965, to quote only two examples. In 1953 Mr. Dudley Senanayake had to go into temporary political exile when a hartal erupted following an increase in the price of rice and in 1965, having digested the bitter lesson of that experience, Mr. Senanayake chose to give a measure of rice free when he decided to increase the price again. But when the present Government decided to abolish the subsidies affecting a substantial section of the population there was no

conspicuous protest perhaps because even the people had realised the short-sightedness of continuing with such an ambitious subsidy which the state could no longer support.

In this context, it would only be a regression to go back to the era of the ration book. The situation will be further compounded by the fact that in this type of insular economy there would be recurrent shortages of goods. It is a widely admitted fact that the shortage of consumer goods and the lengths to which the people had to humiliate themselves to get these scarce goods were two reasons for the rout of the last Government. Today on the other hand there are goods in abundance although not every one would be able to buy them. But at least the goods are available in the open market.

There can be no return then to the days of scarcity and shortage and the time when a potty co-operative manager had to be worshipped if anything was to be obtained. It is not so any longer and this is one of the blessings of the open economy. But blessings also bring dangers sometime and the danger here is that we have to be cautious about the plight of the poorest of the poorest. The food stamps scheme is meant for them, but perhaps it is time the government thought of reviewing this scheme. There has been no increase in the value of food stamps though prices have sky-rocketed. The poor must be given more goods on food stamps in keeping with the rapid inflationary rate.

What is necessary then is not to arbitrarily restore subsidies but evolve some kind of tiered structure of subsidies under which those segments of the population who will really need such help will benefit. It would be necessary for any future Government to combine subsidies for the needy with the free availability of goods at reasonable prices. Socialism cannot degenerate into compulsorily-imposed asceticism. A comprehensive survey to ascertain which section of the population really need subsidies would have to be held and a scheme to bring such support most effectively to those who need it will have to be evolved. But by no means can there be a return to all-round subsidies and an era of consumer drought.

## SLFP CRISIS EXPLAINED

Colombo DAILY NEWS in English 10 May 82 pp 6, 8

[Interview with P.B.G. Kallugalla, founder member of SLFP, date and place not given]

[Text]

Mr. P.B.G. Kallugalla, a founder member of the SLFP and a Minister in the Cabinets of the late S.W.R.D. Bandaranaike and Mrs. Bandaranaike, in an interview on the present crisis in the Sri Lanka Freedom Party says that Mrs. Bandaranaike's dictatorial attitude is one of the reasons for the present divisions in the party.

"If she had any love for the party she should have graciously resigned from its Presidency after she was disenfranchised," Mr. Kallugalla contended.

The third surviving senior SLFP Cabinet colleague of the Bandaranaike Government — the other two are Mairipala Senanayake and T.B. Ilangaratne — ex-Minister Kallugalla accused Mrs. Bandaranaike of seeking to perpetuate family bandyism and preserve the party for herself and her son.

Here is what Mr. Kallugalla had to say in a question and answer interview with our correspondent.

Q: Is it correct for anyone to say that Mr. Mairipala Senanayake and other members of his group were behind Mrs. Bandaranaike's disenfranchisement?

A: Far from it. We were not instrumental in asking for any Commission. In fact it was Mrs. Bandaranaike herself who asked for a Commission of Inquiry. At no stage did we ever try to influence the Commission. It comprised independent judges. The judiciary is independent and cannot be influenced by anybody. Mrs. Bandaranaike should accept the findings by the Special Presidential Commission and not blame anyone for her disenfranchisement.

Q: On the contrary then is it your position that Mr. Mairipala Senanayake and other including yourself protested against Mrs. Bandaranaike being deprived of her civic rights?

A: Certainly. She being a politician and our leader, we protested vehemently. In fact I personally went South campaigning against her disenfranchisement. And also I gave her a rousing reception at Kegalle after her disenfranchisement, clearly indicating that we were not party to her being disenfranchised.

Q: Did you expect such a crisis in the SLFP as is existing today?

A: Never. After Mrs. Bandaranaike's disenfranchisement, I thought she would put the party before herself and resign from the post of party President. The Parliamentary Elections Act No. 1 of 1981 (Section 67) clearly states that "no person shall canvass for or act as agent of, or speak on behalf of, a candidate, or in any way participate in an election if such person is a person on whom civic disability has been imposed by

a resolution, passed by Parliament in terms of Article 81 of the Constitution, and the period of such disability specified in a such resolution has not expired.

Section 67 (2) says, "Every person who contravenes the provisions of sub section (1) shall be guilty of an offence, and shall on conviction, after summary trial before a Magistrate, be liable to a fine of not exceeding one thousand rupees and to imprisonment of either description for a term not exceeding six months or to both fine and imprisonment. Any interpretation in the event of an election could have been given to this provision by a Court of law. And the present law as we know is capable of being amended, modified, extended or restricted, made prospective or retrospective as the exigencies of the situation demands. We



cannot therefore rely on the law and its implementations.

This is the reason why the SLFP cannot accept Mrs. Bandaranaike as President or as any kind of Leader of the party. It would be walking into a political abyss with our mature eyes open.

Q: What was the answer to this situation?

A: If she had any love for the Party and wanted it returned to power she should have graciously resigned after she was disenfranchised.

Q: Is it her refusal to resign that sparked the crisis in the SLFP?

A: Yes. It is one of the reasons. There is also the fact that she thinks she is above the law. This is a weakness in her although I cannot say why. This is one of the reasons, why we were reduced to eight seats in 1977 under her leadership — the most disgraceful defeat we suffered. And if she was a true leader she should have resigned her leadership immediately after this defeat.

Q: Is it correct to say that Mrs. Bandaranaike is still perpetuating family bandysm?

A: In my view, yes. She wants to preserve the party for herself and her son. And from the time after the son broke away from the mother and we formed the true SLFP with my standing down for

Anura to be Deputy Leader, I noticed from his actions including the statements he made from time to time, that he was not prepared to accept Mr. Maitripala Senanayake as the leader.

On the other hand, the mother too was keen on getting back the son to her fold and make him leader of her group. She had deprived her loyal lieutenant, Mr. Maitripala Senanayake who has been in Parliament for 35 years now and acted for the Prime Minister on 16 occasions of becoming the leader.

She made things very difficult within the party for Maitripala Senanayake.

Q: While Anura was deputy leader of your group did you ever expect him to leave the group?

A: I did not expect him to leave or desert the group because he became Deputy Leader which post he would have taken 15 years to reach. I gave up my right and was prepared to serve under him for the sake of the party.

But he was in my judgement over ambitious. With the mother's assistance he wanted to control both sections and that is the reason why he was instrumental in getting a motion passed at our Central Committee meeting on March 31, 1982 with ten voting for and seven against that the mother should

be President of both SLFP sections. The seven voting against that motion were all former senior Ministers, and present SLFP MPs.

These seven were Maitripala Senanayake, P.B.G. Kalugalla, S.K.K. Suriarachchi, V.T.G. Karunaratne, S.D.R. Jayaratne, who were all Ministers and Halim Isahak and R.P. Wijesiri MP's.

Q: Were you surprised that Anura Bandaranaike initiated that motion?

A: Of course when Basil Rajapakse introduced the motion there was surprise and confusion; abusive words were used, hard objects on the table were thrown about and chairs damaged. At that time I was surprised that the son of the late Mr. S.W.R.D. Bandaranaike should use caste words. (Ed: Mr. Bandaranaike has denied this). These words were uttered by the Deputy President of our Party and as he has been suspended by our Party he is no longer the Deputy President.

I, as the Deputy President apologise to the millions of people of that community in Sri Lanka if their feelings have been hurt as a result of those utterances. I consider this to be one of the greatest betrayals that one can do to his colleagues.

Q: Do you think that there will now be a third SLFP group?

A: As he has betrayed us

during this crisis I am sure he will create trouble in that group. Mrs. Bandaranaike had T.B. Ilangaratne as her deputy leader, Hector Kobbekaduwa and Ratne Deshapriya Senanayake as Vice Chairmen and V.W. Kularatne, another person with whom Anura has exchanged words at a previous meeting. She has Vijaya Kumaranatunga as Assistant Secretary. Anura will not be satisfied until he reaches his mother's position and becomes President of the breakaway group. Mrs. Bandaranaike is President of one group.

Anura has got himself elected as President, a self appointed President. So there will be no unity or there cannot be any unity in these two groups unless the senior members of Mrs. Bandaranaike's group accept Anura as their undisputed leader.

Q: What is your position regarding SLFP unity?

A: Yes, of course the SLFP should be united. There is as far as I am concerned only one SLFP with Maitripala Senanayake as the leader and President, myself as Deputy President and S.K.K. Suriarachchi as the General Secretary.

This is the only SLFP which is legally constituted. All the members of the two breakaway groups are at liberty to apply for membership in our main party.

## EDITORIAL: CLEAN, EFFICIENT GOVERNMENT URGED

Colombo DAILY NEWS in English 11 May 82 p 4

[Text]

Mr.E.P.Paul Perera, Director — General of the Greater Colombo Economic Commission, gave a sharp edge to some everyday thoughts in a speech at Karasnagala recently.

The points he affirmed may well on reflection provide a new impetus to our community to aspire to new levels of effort and integrity.

Many of our problems, Mr.Perera urged, could be solved if social and voluntary workers worked with a fine sense of dedication.

To quote him on perhaps the more crucial affirmation he made, Mr.Perera said:

*"The progress of a community depends on the moral growth of the people in it."*

The claim that most human problems can be solved by dedicated work is hardly open to dispute.

The special significance, the greater depth of meaning that is to be found in Mr.Perera's viewpoint, is the link that it establishes between dedicated work and the moral fibre of the people undertaking any labour.

Mr.Perera's view could apply far beyond the generally calm and peaceful extents of our moral areas. In cities, other offices and government departments no less, it is often a want of discipline, of integrity, of moral standards that lure men in authority — and the organisations they command — into the mire of corruption and of stagnation.

Moral integrity has suffered from the taint of compromise with thugs, with co-op crooks, with flunkys and insidious racketeers.

Indeed, the underlying assumption of President Jayewardene's struggle for a righteous society coincides with Mr.Perera's pleas for a morally upright society. Only disciplined men, only men with clean hands, are capable of dedication to any national effort.

Others generally only use some appointment as a convenient perch, an easy base from which to expand their own and very private interests. They are, in other words, pushing their own fortunes at public expense.

If that sort of double dealing is not corruption, then what precisely is it? One cause for additional financial votes and expenditure in State institutions, city establishments and jungle sites, is the overloading of pay-rolls with idle hands.

That is another form of racketeering that the UNP might give its collective mind to, in its current drive against corruption.

The farming out of public property under one disguise or another, the packing of establishments with decrepit men eagerly striving for some afterglow, have all taken place while the Government was pre-occupied with its development plans.

Now, the Party can afford the time to screen men holding positions of trust. It has decided to do so. The nation will be happy at the thought.

Thugs and rogues, and those who combine both roles in themselves, will never inspire a society to higher moral standards. They can never set any example of dedicated work.

They are a blight on the economy and a challenge to the people's intelligence, especially when they go about screaming of the sacrifices they claim to be making.

Mr. Paul Perera's thinking and utterance display courage in a cynical world.

Equally, it may be necessary to ask ourselves what lies at the root of our growing cynicism and moral decay. It could be vainglory and sheer hypocrisy above all. It could be treachery. Certainly it often savours of ambition and both moral and monetary dishonesty.

We must rid ourselves of muddlers dedicated only to their own welfare. It is not high-nosed trumpeting, but calm strength which makes the elephant a majestic animal. Let UNP supporters derive their lessons from that truth.

CSO: 4220/9

EDITORIAL: MARXIST MISRULE RECALLED

Colombo DAILY NEWS in English 12 May 82 p 4

[Editorial: "The Revolution Derailed"]

[Text]

The Left and left-leaning ideologues in Sri Lanka appear to have outsmarted the Bourbons. Of the latter it has been said that they neither forgot anything nor learned anything.

Our Reds today, if they have not learned much, seem to have forgotten a lot. One of them recently said the workers of Sri Lanka could be deceived no longer. How the nation will wish he is correct: certainly, after the blood-bath of 1971.

Given that experience, the promise to retire elders today sounds like the dialogue between the wolf and Red Riding Hood. But this is a Buddhist country — opposed to killing. Are the people of Sri Lanka invited to follow a philosophy that predicated the killing of their parents merely because they are advancing in years? Who doesn't grow old?

What of the wisdom, the experience, the learning our elders have acquired? Are we to discard all that, too, because their presence might be embarrassing in the love-nests that young revolutionaries build for themselves?

Then, we have learned protagonists deploving the economic policies of the UNP. But how did the Coalition fare? Have the Marxist elements forgotten the soaring unemployment of the period it was in power? Has it forgotten the stagnation of our economy

then? The near starvation through which our society struggled for survival? The bread queues?

We are also told that the UNP is tottering. It is paradoxical that that verdict should come from a fragmented, warring, mutually hostile, caste-ridden miscellany which has given the community every proof of mutual hate, division and slander. To the giddy head, it is the world that is going round, perhaps.

They accuse the UNP of anti-Tamil violence, forgetting their own virulence against the Tamils once, forgetting the military rule they established over the northern peninsula.

Today, the LSSP leadership is disputed. The SLFP is divided. In both parties there are revolutions within revolutions, not to speak of wheels within wheels. Who is whose scab? That is the question that was asked on May Day.

If mutual antipathy towards the UNP is the only bond that unites them, then clearly, it is a very thin thread that binds them together.

Indeed, their only common plank has been insufficient to bring them together so far or to prevent them from disintegrating further. The Opposition parties run half-way down the alphabet already. Several of their leaders are conjuring up fears that there will be no election. Yet, they themselves are seeking to establish a common front to fight the UNP at

the elections : are preparing for them. Surely, that conduct betrays their professions?

If they cannot remember, certainly there are humbler people alive who recall the days in 1970 when the high - riding Coalition warned the people that they were not going to be restrained by technicalities of law and other pious legal principles.

There are people who recall that spokesmen for the Government of the day seemed to say then that they could act as they wished for good reasons, bad reasons or no reasons at all. All that made splendid rhetoric. But it also made the common people shiver in their boots. Had we arrived at a Marxist dictatorship? A Police State?

The revolutionary parties appear to have forgotten the sufferings they inflicted on the people in the name of Emergency Rule. Arbitrariness is hard to reconcile with claims to efficient service.

At hindsight, it is difficult not to feel that if the Left is weeping today, then its several leaders could be shedding no more than crocodile tears.

CSO: 4220/9

## CURRENT POLITICS EXAMINED

Colombo DAILY NEWS in English 15 May 82 p 4

["A Look at Politics" column by Insider: "Nothing Under the Carpet"]

[Text]

All's well that ends well.

That feeling dominated UNP thinking at the end of the Senanayake affair.

This unhappy episode in the UNP's contemporary history was fortunately not swept under the carpet, as such episodes have been in the past.

It was bared for all to see and read. Newspapers reported it openly.

The decision of the Presidential Committee probing allegations about Minister Senanayake's indiscretions regarding a tender was bared - spread in the Press.

The Senanayake affair was public knowledge, as rightly it should be in a democracy.

Having probed the allegations, the Presidential Committee held that Mr. Senanayake was guilty of procedural irregularities but not of corruption.

His speeches immediately after he became Minister of Health, more in paper than in design, certainly gained on the blemish as it did on the Young Turks of the UNP led by Ministers Rana

Wickremasinghe, Lalith Athulathmudali and Gemin Dissanayake.

E.L. was made aware of it. On Wednesday morning he showed up (or was summoned) to the Presidential abode. There Mr. Jayewardene and Mr. Senanayake had a heart to heart chat.

And there, his resignation was given to the President - but it was unclear.

Later the busy Mr. Senanayake walked into the Cabinet Meeting long after it started. The President informed him that in his absence Mr. Rana Wickremasinghe had criticised Mr. Senanayake's first speech in Parliament as Minister of Health.

Rana had also cast several strictures about his Ministerial conduct regarding the tender affair. Mr. Lalith Athulathmudali said there was no personal malice in his criticism.

Mr. Senanayake's contribution to the UNP was commendable but in the context of the allegations made against him and in the light of Mr.

Senanayake's love for the UNP he should do the right thing by the Party.

Mr. Senanayake announced that his resignation had already been given to the President but he had not dated it as his wife was lying seriously ill at the hospital. But he would do so now.

The resignation was then signed and handed to the President.

There were more than pangs of regret that the veteran heavy-weight of the UNP had ended his long career so summarily. But the consensus of UNP thinking was aptly summed up by one of his colleagues. "Not that we love E.L. less, but that we love our Party more," he said.

Comparative immediately with regard to E.L.'s immediate future.

Would he resign from the Party and close the political fortnight in which he glowed for over 25 years? Or would he continue as a MP till the General Elections?

His UNP colleagues would like him to stay on as a M.P. and serve the



Hill capital which was virtually his pocket borough.

But one hard fact has emerged from the Senanayake affair — the Young Turks of the UNP are determined to sweep corruption out of their ranks. And that decision has the Presidential blessing all the way.

#### The SLFP

With SLFP-LSSP-MEP May Day merriment now a thing of the past, the clouds of grim reality are hovering menacingly over them.

The biggest cloud is that of leadership. The earlier bravado of the SLFP(S) that 'Sirima will lead, come what may' is gradually receding as the rank and file realise that if an outlawed Mrs. Bandaranaike leads them, the SLFP(S) is also in danger of being outlawed.

As the nation inches towards the General Election, much of the earlier euphoria of the SLFP(S) recedes. They realise they cannot go to the polls armed in the make-believe that a fettered Mrs. Bandaranaike can rather control the Party.

The law is heavily loaded against them. Even a gagged or blindfolded Sirima seated silently at their meetings, as they planned earlier, can be a disqualification. What then?

Anura who crossed over to Maithri and duly double-crossed him later will take over the leadership for the elections, like a marionette in the shadow of mama Bandaranaike. But veterans and seniors of S.W.R.D. vintage are not relishing the move one bit.

They feel that Anura is young and once in the saddle will not dismount. What of their political future? Having sacrificed the best years of their lives for a party and in Opposition at that, they fear they will labour in obscurity if the family flag is kept fluttering, as surely it will.

Anura's swerve from Maithri to Maithri and back to Maithri has sapped his political strength considerably. His breakaway from his Maithri was the first major political event of his career and he caught it badly. The man-in-

the-street, whatever his politics be, is hostile to those who 'do the dirty'. And that is just what they think Anura did, first, to his Maithri, second, to Maithri.

How could such a leader inspire, let alone win the confidence of voters?

#### Northern dilemma

Another young man who emerged from the side-lines recently is Kumar Ponnambalam or G. G. Ponnambalam (Jr.), as he is better known in legal circles.

The young leader of the Tamil Congress up against the once unassailable TULF has so far found it difficult to match his steam-rolling for.

But when the new Parliament was opened, Ponnambalam called for a hotel in Jaffna. He was taken for questioning by the police and away and after a three hour grilling found himself in the headlines, a circumstantial martyr.

The TC leader has now decided to ride the wave of his new found popu-

larity: he is all set to dynamize his Party and will himself, insider learns, sound the Eelam call, now muted in the TULF ranks.

Incidentally, he has laughed out of court, remarks that he will be a TULF candidate at the next elections, 'Utter rubbish', he is said to have commented when asked about it.

Meanwhile the TULF, up against mounting opposition from militants, has launched a new paper, 'SENKATHER' or 'Red Dawn'. The first issue has just rolled out of the press and, from the looks of it, appears to be an answer to the militants.

#### Calvin

Ponnambalam's partnership will take a back seat on May 22 when all political parties will salute Dr. Calvin R. de Silva's 50 years in the legal field.

The flamboyant, legal luminary who is one of the LSSP's well known will be feted on May 22, because it was on May 22, 1972 that the Calvin-drafted constitution saw the light of day.

## BRIEFS

**BELGIAN ECONOMIC TEAM ARRIVES**--The Minister--President of Belgium's Walloon Government, Mr. Andre Damseaux arrived here on Sunday for a two days visit to discuss direct economic co-operation. Mr. Damseaux is having talks with Mr. A. C. S. Hameed, Minister of Foreign Affairs, Mr. Gamini Dissanayake, Minister for Lands and Land Development, Mr. Festus Perera, Minister of Fisheries and several other members of the Government. Since 1980, governments have been established in Belgium's two great regions Wallonia and Flanders with responsibility for areas including economy policy, industrial, technological and urban development. Each regional government is entitled, in the frame work of international agreements concluded by Belgium's central government, to deal directly with governments of other countries. The Walloon region, with its long industrial tradition, is seeking direct economic co-operation. Small and medium-size projects are under consideration at the moment. The Minister - President is accompanied by his Chief of Cabinet, Mr. Jean-Claude Ciselet and a consultant group, Mr. Michael Cameraman and Mr. Patrick Verschuere. [Colombo DAILY NEWS in English 25 May 82 p 1]

**INDUSTRY URGED TO USE COAL**--Fuel-guzzling industries under the Industries Ministry are being told to convert to coal. Industries Minister Cyril Mathew said this strategy will be adopted to trim escalating fuel costs now swallowing almost half Sri Lanka's export income. Mr. Mathew said the Kankasanturai Cement Factory is a trail-blazer having converted to coal from diesel saving about half its fuel bill. 'When we used diesel, the fuel alone accounted for 40 per cent of the cost of a bag of cement sold at Rs. 69. Now this has been reduced to half,' Mr. Asoka Somaratna, Chairman of the Cement Corporation said. The corporation is now converting its Pattalam factory also to coal. [Colombo DAILY NEWS in English 25 May 82 p 1]

**SRI LANKA WORKERS FOR MIDDLE EAST**--Manama, Sunday--Sri Lanka is planning to send 100,000 workers to the Middle East by the end of the year to boost foreign currency earnings and reduce its unemployment, the Gulf Daily News reported today. Overseas workers earnings represented Sri Lanka's second largest foreign currency income after tea. By 1985 oil-rich Gulf States would employ about 3.5 million foreign workers, the World Bank has reported. (AFP) [Text] [Colombo DAILY NEWS in English 17 May 82 p 12]

## NORTHEASTERN FARMERS WORKING AS INDENTURED LABOR

Bangkok THE NATION REVIEW in English 24 May 82 p 6

[Text]

**RAYONG** - The tapioca and sugarcane plantations here are making lucrative businesses with abundant cheap labour force from the Northeast, local sources said recently.

Provincial Agriculture Officer Chalerm Thaprayoon told *The Nation* that about 20,000-30,000 northeastern farmers annually make their way to work in the plantations here.

Most of them hope to make extra earnings before and after the harvest season in their home villages while the others arrive here after losing their land.

However, an increasing number of the farm people later find themselves unable to return home for, instead of making some money, they ironically become heavily indebted to owners of the plantations, according to Chalerm.

The standard of living of the farm workers is only at the subsistence level. They are living on food and lodgings provided by their employers in return for their

labour," he said.

Most of the northeastern job-seekers have to take loans with an average interest rate of 25 per cent monthly when they start working to feed themselves pending the first round of payment, according to some farm workers.

Although most of them are hired for a daily wage of about 25-30 baht for their work, they would receive their pay only a fortnight after they start working, they said.

"The major problem facing us is that we arrive here without reserve cash to make ends meet during the initial period of our employment and so we have to take loan from our employers in the form of cash or provisions," a farm worker said.

He said that some workers found themselves indebted when they receive the first round of their pay which is inadequate to repay their debt plus the interest.

Thong Sda, principal of the Huey Thapman School in Kiang District here,

told *The Nation* that the longer the indebted farm workers work, the higher the amount of their debt become.

He said that some of the "enslaved farm workers" who are single have tried to flee their employers. "Some have managed to make off while others have been arrested and returned to the plantations by the police," the principal said.

Thong who said he was a native of Yasothon Province said the workers who were accompanied by their families had no chance of escaping to their native provinces.

His wife added that a farm worker slain a plantation owner and his wife while they were driving a sedan to inspect his plantation about two years ago because of the worker's frustration.

Thong who has taught here for about eight years said that he has been quietly assisted the farm workers who fled from their employers, but added his aid would only help relieve the seriousness of the problem.

**END OF**

**FICHE**

**DATE FILMED**

21 JUNE 82